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Ontario. Legislative Assembly

JOURNALS  
OF THE  
Legislative Assembly

OF THE  
PROVINCE OF ONTARIO

*From the 8th March to 27th April, 1939  
Both Days Inclusive*

IN THE THIRD YEAR OF THE REIGN OF OUR SOVEREIGN LORD  
KING GEORGE VI

BEING THE  
Third Session of the Twentieth Legislature  
of Ontario

SESSION 1939

PRINTED BY ORDER OF THE LEGISLATIVE ASSEMBLY

VOL. LXXIII




ONTARIO

TORONTO

Printed and Published by T. E. Bowman, Printer to the King's Most Excellent Majesty  
1939

372493  
9.11.39





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4. Question (No. 12) as to exports of pulpwood from Crown Lands during the years 1934-5 to 1937-8. Return ordered, 83.
5. Question (No. 13) as to cutting of jackpine on Long Lake Pulp Concession in Townships of Danford, Exton and Nakina. Return ordered, 84.
6. Question (No. 24) as to sale of timber in Township of Copperfield or Bonar, 106.
7. Question (No. 34) as to replacement of cash deposits by bonds in connection with licenses on Crown lands. Removed from Order Paper, 129.
8. Question (No. 25) as to increase of areas for cutting pulpwood, timber, etc., by other means than by advertisement or sale by tender. Return ordered, 85.
9. Report for year ending March 31st, 1938, 79. (*Sessional Paper No. 3.*)

## LAW SOCIETY ACT, THE:

Bill (No. 48) to amend, introduced, 34. Second reading, 42. House in Committee, 91. Third reading, 93. Royal Assent, 109. (3 George VI, c. 24.)

## LEASIDE, TOWN OF:

Petition for an Act respecting, 38. Read and received, 39. Reported by Committee on Standing Orders, 50. Bill (No. 3) introduced and referred to Committee on Private Bills, 51. Reported as amended, 98. Second reading, 113. House in Committee, 135. Third reading, 139. Royal Assent, 185. (3 George VI, c. 62.)

## LEGAL BILLS, COMMITTEE ON:

1. Authorized, 15.
2. Appointed, 29.
3. Report, 118.

## LEGAL OFFICES, INSPECTOR OF:

Report for year to December 31st, 1938, 56. (*Sessional Paper No. 5.*)

## LEGISLATIVE ASSEMBLY, THE:

1. Proclamation calling, 1.
2. Adjourns over more than one day, 92.
3. Adjourns to a special hour, 158.
4. Report of Committee on Revision of Rules, 33, 87.
5. Sits after midnight, 142, 147, 155.
6. Prorogues, 190.

## LEGISLATIVE CHAMBER:

Question (No. 44) as to redraping of Chamber, 138.

## LIBRARY, COMMITTEE:

Appointed, 19.

## LIEUTENANT-GOVERNOR, THE:

1. Proclamation calling the Assembly, 1.
2. Calls for the election of a Speaker, 2.
3. His Speech at the Opening, 9.
4. Presents Public Accounts, 15.
5. Presents Estimates to House, 63.
6. Assents to Bills, 79, 109, 187.
7. His Speech at Closing, 187.

## LIMITATIONS ACT, THE:

Bill (No. 62) to amend, introduced, 57. Second reading and referred to Committee on Legal Bills, 86. Reported as amended, 118. House in Committee, 148. Third reading, 151. Royal Assent, 186. (3 George VI, c. 25.)

## LION'S HEAD ACT, 1939, VILLAGE OF:

Bill (No. 78) introduced, 94. Order discharged and Bill withdrawn, 114.

## LION'S HEAD, VILLAGE OF:

Petition for an Act respecting, read and received under suspension of rules, 109. Bill (No. 86) introduced and referred to Committee on Private Bills under suspension of rules, 110. Reported, 116. Second reading, 135. House in Committee, 140. Third reading, 144. Royal Assent, 186. (3 George VI, c. 63.)

## LIQUOR CONTROL ACT, THE:

Bill (No. 93) to amend, introduced, 110. Second reading on division, 133. House in Committee, 142. Third reading, 144. Royal Assent, 186. (3 George VI, c. 26.)

## LIQUOR CONTROL BOARD, THE:

1. Question (No. 32) as to placing of insurance by, 132.
2. Report for year ending March 31st, 1938, 33. (*Sessional Paper No. 20.*)

## LOAN CORPORATIONS, REGISTRAR OF:

Report for year ending December 31st, 1938, 184. (*Sessional Paper No. 7.*)

## LONDON, CITY OF:

Petition for an Act respecting, 22. Read and received, 23. Reported by Committee on Standing Orders, 51. Bill (No. 18) introduced and referred to Committee on Private Bills, 52. Reported as amended, 88. Second reading, 90. House in Committee, 96. Third reading, 100. Royal Assent, 185. (3 George VI, c. 64.)

## LONG LAC DIVERSION PROJECT:

See *Hydro.*

## LONG LAC PULP CONCESSION:

See *Lands and Forests.*

## LOVE, PURDOM F.:

Question (No. 43) as to his salary, 128.

**M**AN POWER, CONSCRIPTION OF:

See *Conscription.*

## MARRIAGE ACT, THE:

Bill (No. 76) to amend, introduced, 94. Motion for Second reading defeated, 139.



## MARRIAGES:

See *Births*.

## MENTAL HOSPITALS:

See *Hospitals*.

## MILK CONTROL BOARD, THE:

Report for year to December 31st, 1938, 109. (*Sessional Paper No. 47.*)

## MINERAL PRODUCTION IN ONTARIO, 1938.

Preliminary report on, 136. (*Sessional Paper No. 50.*)

## MINES, DEPARTMENT OF:

Report for year ending March 31st, 1938, 184. (*Sessional Paper No. 4.*)

## MINING ACT, THE:

Bill (No. 26) to amend, introduced, 15. Second reading, 34. House in Committee and amended, 42. Third reading, 44. Royal Assent, 108. (3 George VI, c. 27.)

## MINING LANDS:

Question (No. 18) as to acreage of such land under patent, under license, etc., 120.

## MORTGAGES ACT, THE:

Bill (No. 63) to amend, introduced, 57. Second reading and referred to Committee on Legal Bills, 87. Reported as amended, 118. House in Committee and amended, 148. Third reading, 151. Royal Assent, 186. (3 George VI, c. 28.)

## MORTGAGORS' AND PURCHASERS' RELIEF ACT, 1939.

Bill (No. 27) introduced, 16. Second reading, 23. House in Committee, 32. Third reading, 34. Royal Assent, 108. (3 George VI, c. 29.)

## MORTMAIN AND CHARITABLE USES ACT:

Report for year to March 31st, 1938, 115. (*Sessional Paper No. 33.*)

## MOTIONS:

## 1. ABITIBI POWER AND PAPER COMPANY:

Motion for a return of all papers, correspondence, etc., in connection with the reorganization of, 26.

## 2. AUDITOR, THE PROVINCIAL:

Motion authorizing the payment of Civil Service salaries after close of fiscal year, 74.

MOTIONS—*Continued*

## 3. BINGHAM, ESTATE OF MARGARET EMMA:

(a) Motion for suspension of rules to admit a Private Bill concerning, 47.

(b) Motion to refer Bill to Committee notwithstanding the adverse report of the Commissioners of Estates Bills, 112.

## 4. CANADA TEMPERANCE ACT:

Motion for repeal of, as it applies to Ontario, 46, 48.

## 5. CLARK, MR.:

Motion for his election as Speaker, 8.

## 6. COMMITTEES:

(a) Motion to set up Standing Committees, 15.

(b) Motion to appoint Striking Committee, 19.

(c) Motion to appoint Library Committee, 19.

(d) Motion to appoint Committee for Art purposes, 20.

(e) Motion for election of Chairman of Committee of the Whole, 22.

(f) Motion to go into Committee of Supply, 56, 63.

(g) Motion to go into Committee of Ways and Means, 56, 179.

## 7. CONSOLIDATED REVENUE FUND:

Motion to raise \$30,000,000 on credit of, 145.

## 8. CORPORATIONS TAX ACT:

Motion for approval of certain amendments to, 58.

## 9. GASOLINE TAX ACT:

Motion for approval of amendment to, 76.

## 10. HOUSE, THE:

(a) Motion for election of Speaker, 8.

(b) Motion for election of Chairman of Committee of the Whole, 22.

(c) Motion to adjourn over one day, 92.

MOTIONS—*Continued*10. HOUSE, THE—*Continued*

- (d) Motion for election of temporary Speaker, 94.
- (e) Motion for addition to Rules of the House to forbid consideration of certain types of Bills, 136.
- (f) Motion to adjourn to a special hour, 158.

## 11. INDEMNITY, SESSIONAL:

Motion for payment in full, 179.

## 12. KING, HIS MAJESTY, THE:

Motion for an address of welcome on occasion of his visit to Ontario, 20.

## 13. LANDS AND FORESTS, DEPARTMENT OF:

Motion for a Select Committee to investigate administration of, 107, 113, 117, 183.

## 14. LIEUTENANT-GOVERNOR:

- (a) Motion for consideration of His Speech at the Opening, 15.
- (b) Motion for address in Reply, 17.

## 15. LION'S HEAD, VILLAGE OF:

Motion for suspension of rules to admit Private Bill for, 109.

## 16. PATTERSON, MR.:

- (a) Motion for his election as Chairman of the Committee of the Whole, 22.
- (b) Motion for his election as temporary Speaker, 94.

## 17. PROFESSORS, UNIVERSITY:

Motion for their discharge as result of certain utterances, 99, 183.

## 18. PUBLIC ACCOUNTS, COMMITTEE ON:

Motion to authorize the Committee to investigate the Public Accounts for year ending March 31st, 1939, 119.

## 19. PUBLIC ENQUIRIES ACT, THE:

Motion for an Enquiry under, into activities of organizations seeking to destroy democratic institutions, 183.

MOTIONS—*Continued*

## 20. RACE TRACKS TAX ACT:

Motion for approval of certain amendments to, 60.

## 21. REFORESTATION:

Motion for establishment of permanent plan of, to be applied to Counties, 86.

## 22. SECURITY TRANSFER TAX ACT:

Motion for approval of certain amendments to, 59.

## 23. SPEAKER OF THE HOUSE:

(a) Motion for his election, 8.

(b) Motion for election of temporary Speaker, 94.

## 24. WEALTH AND MAN POWER:

Motion for provision for mobilization of, in event of war, 34, 44.

## 25. WHEAT GROWERS OF ONTARIO:

Motion for extension to them of preferential freight rates accorded to Western Canada growers on export carload lots, 57.

## MUNICIPAL ACT, THE:

1. Bill (No. 60) to amend, introduced, 52. Second reading and referred to Committee on Municipal Law, 86. Certain sections incorporated in Bill (No. 70), 122.
2. Bill (No. 66) to amend, introduced, 75. Second reading and referred to Committee on Municipal Law, 86. Certain sections incorporated in Bill (No. 70), 122.
3. Bill (No. 72) to amend, introduced, 93. Second reading and referred to Committee on Municipal Law, 95. Not reported, 122.
4. Bill (No. 74) to amend, introduced, 93. Second reading and referred to Committee on Municipal Law, 95. Not reported, 122.
5. Bill (No. 88) to amend, introduced, 110. Motion for Second reading defeated, 139.

## MUNICIPAL AFFAIRS, DEPARTMENT OF:

Report for 1938-39, 184. (*Sessional Paper No. 31.*)



## MUNICIPAL AMENDMENT ACT, 1939, THE:

Bill (No. 70) introduced, 92. Second reading, 113. Sections of certain other Bills added, 122. House in Committee, 141, and amended, 149. Third reading, 151. Royal Assent, 186. (3 George VI, c. 30.)

## MUNICIPAL BOARD, THE ONTARIO:

Report for year to December 31st, 1938, 117. (*Sessional Paper, No. 24.*)

## MUNICIPAL LAW, COMMITTEE ON:

1. Authorized, 15.
2. Appointed, 28.
3. Report, 122.

## MUNICIPAL SUBSIDY ACT, THE:

Bill (No. 84) to amend, introduced, 101. Second reading, 134. House in Committee, 142. Third reading, 144. Royal Assent, 186. (3 George VI, c. 31.)

**N**AKINA, TOWNSHIP OF:

*See Lands and Forests.*

## NAMES, ACT RESPECTING CHANGE OF:

Bill (No. 69) introduced, 89. Second reading and referred to Committee on Legal Bills, 90. Reported as amended, 118. House in Committee, 141. Third reading, 144. Royal Assent, 186. (3 George VI, c. 6.)

## NEPEAN, TOWNSHIP OF:

Petition for an Act respecting, 16. Read and received, 18. Reported by Committee on Standing Orders, 24. Bill (No. 1) introduced and referred to Committee on Private Bills, 24. Reported, 62. Second reading, 86. House in Committee, 90. Third reading, 93. Royal Assent, 185. (3 George VI, c. 65.)

## NIAGARA FALLS LOWER ARCH BRIDGE COMPANY:

Petition for an Act respecting, 16. Read and received, 18. Reported by Committee on Standing Orders, 40. Withdrawn by letter.

## NIAGARA PARKS COMMISSION, THE:

1. Report for year 1936-7, 132. (*Sessional Paper No. 40.*)
2. Report for year to March 31st, 1938, 136. (*Sessional Paper No. 51.*)

## NIPIGON CORPORATIONS, LIMITED:

Question (No. 35) as to whether the Minister of Lands and Forests consented to the transfer of the company's control from Canadian International Paper Co. to the Lake Sulphite Co., 127.

## OGOKI DIVERSION PROJECT:

*See Hydro.*

## ONTARIO HOSPITALS:

*See Hospitals.*

## ONTARIO MUNICIPAL BOARD:

*See Municipal.*

## ONTARIO VETERINARY COLLEGE:

*See Veterinary.*

## OPTOMETRY ACT, THE:

Bill (No. 51) to amend, introduced, 42. Second reading and referred to Committee on Legal Bills, 61. Reported, 118. House in Committee, 140. Third reading, 144. Royal Assent, 186. (3 George VI, c. 33.)

## OTTAWA SUPERANNUATION FUND, CITY OF:

Petition for an Act respecting, 38. Read and received, 40. Reported by Committee on Standing Orders, 51. Bill (No. 24) introduced and referred to Committee on Private Bills, 52. Reported as amended, 116. Second reading, 135. House in Committee, 140. Third reading, 144. Royal Assent, 185. (3 George VI, c. 66.)

## PAPER AND PULP MILLS:

Question (No. 10) as to agreements for establishment of, since 1935.  
Return ordered, 81.

## PARKDALE, ELECTORAL DISTRICT OF:

1. Vacancy in, announced, 3.
2. By-election result announced, 5.
3. Return of Statistics tabled, 14.

## PATTERSON, MR.:

1. Appointed as Chairman of Committee of the Whole, 22.
2. Elected as Speaker pro tempore, 94.

## PHARMACY ACT, THE:

Bill (No. 31) to amend, introduced, 17. Second reading, 31. House in Committee and progress reported, 35. House in Committee and amended, 91. Third reading, 93. Royal Assent, 108. (3 George VI, c. 34.)

## POLICE SERVICE, ACT RESPECTING CO-ORDINATION OF:

Bill (No. 46) introduced, 31. Order discharged and Bill withdrawn, 61.

## PORT ARTHUR, CITY OF:

Petition for an Act respecting, 16. Read and received, 19. Reported by Committee on Standing Orders, 40. Bill (No. 6) introduced and referred to Committee on Private Bills, 41. Reported, 62. Second reading, 86. House in Committee, 90. Third reading, 93. Royal Assent, 185. (3 George VI, c. 67.)

## PORT ARTHUR AND FORT WILLIAM, CITIES OF:

Petition for an Act respecting, 38. Read and received, 40. Reported by Committee on Standing Orders, 51. Bill (No. 22) introduced and referred to Committee on Private Bills, 52. Reported as amended, 88. Second reading, 90. House in Committee, 96. Third reading, 100. Royal Assent, 185. (3 George VI, c. 68.)

## POWER COMMISSION ACT, THE:

Bill (No. 80) to amend, introduced, 95. Second reading, 114. House in Committee, 142, 150. Third reading, 151. Royal Assent, 186. (3 George VI, c. 35.)

## PRESBYTERIAN CHURCH IN CANADA:

Petition for an Act respecting, 27. Read and received, 30. Reported by Committee on Standing Orders, 50. Bill (No. 14) introduced and referred to Committee on Private Bills, 51. Reported as amended, 116. Fees remitted, 116. Second reading, 134. House in Committee, 140. Third reading, 144. Royal Assent, 185. (3 George VI, c. 69.)

## PRINTING, COMMITTEE ON:

1. Authorized, 15.
2. Appointed, 28.
3. Report, 118.

## PRISONS AND REFORMATORIES:

1. Report on, for year ending March 31st, 1938, 18. (*Sessional Paper No. 18.*)
2. Report on, for year ending March 31st, 1939, 184. (*Sessional Paper No. 53.*)

## PRIVATE BILLS:

Time for introduction of extended, 51.

## PRIVATE BILLS, COMMITTEE ON:

1. Authorized, 15.
2. Appointed, 28.
3. Reports, 62, 88, 92, 98, 116.

## PRIVILEGES AND ELECTIONS, COMMITTEE ON:

1. Authorized, 15.
2. Appointed, 27.

## PROFESSORS, UNIVERSITY:

Resolution calling for dismissal of certain professors because of certain utterances, 99. Withdrawn, 183.

## PSYCHIATRIC HOSPITALS:

See *Hospitals*.

## PUBLIC ACCOUNTS:

1. For year ending March 31st, 1938, tabled, 15. (*Sessional Paper No. 1.*)
2. Referred to Committee on Public Accounts, 16.

## PUBLIC ACCOUNTS, COMMITTEE ON:

1. Authorized, 15.
2. Appointed, 28.
3. Motion for added powers refused, 119.
4. Report, 146.

## PUBLIC ENQUIRIES ACT:

Motion for an enquiry under, into activities of organizations seeking to destroy democratic institutions. Withdrawn, 183.



## PUBLIC HEALTH ACT, THE:

See *Health*.

## PUBLIC HOSPITALS ACT, THE:

See *Hospitals*.

## PUBLIC SERVICE SUPERANNUATION BOARD:

Report for year ending March 31st, 1938, 30. (*Sessional Paper No. 36.*)

## PUBLIC TRUSTEE, THE:

Question (No. 31) as to staff and salaries and fees collected, 124.

## PUBLIC WORKS, DEPARTMENT OF:

Report for year March 31st, 1938, 62. (*Sessional Paper No. 8.*)

## PULP AND PAPER MILLS:

Question (No. 10) as to agreements for establishment of, since 1935.  
Return ordered, 81.

## PULPWOOD SUPPLY CO., LIMITED:

Question (No. 23) as to whether waterway for transportation of wood for,  
is ready for operation, 105.

## QUEENS UNIVERSITY:

Question (No. 39) as to Government grants to, in 1938 and 1939, 120.

## QUESTIONS:

1. As to purchases of pulpwood from various sources by the Iroquois Falls Mill, and the Smooth Rock Falls Mills of the Abitibi Power and Paper Company, and by the Kapuskasing Mill of the Spruce Falls Company for each of the years 1935 to 1938 inclusive. Return ordered, 80.
2. As to the amount received from the Federal Government for the Dominion-Provincial Youth Training Plan; also, the amount spent and number trained under the plan, 43.
3. As to the purchase and sale of old Government House property at King and Simcoe Streets, Toronto, and purchase and disposition of Chorley Park, 39.

QUESTIONS—*Continued*

4. As to purchases of land for and construction costs of Ontario Hospital at St. Thomas, 101.
5. As to amounts paid by the Government to the Hydro-Electric Power Commission since 1934 under the Rural Hydro-Electric District Service Act of 1930, 80.
6. As to deficits during 1938 of rural power districts under the jurisdiction of the Hydro-Electric Power Commission, after provisions have been made for regular renewals, reserves, contingencies, etc., 80.
7. As to expenditures by the Hydro-Electric Power Commission and by the Government of the Province on the Long Lac and Ogoki Diversion projects, 112.
8. As to the total advance made by the Province to the Hydro-Electric Power Commission as of October 31st, 1933, 1934, 1938, 76.
9. As to amount paid the Ontario Cheese Producers' Association by the Producers each year since its organization, 47.
10. As to number of agreements or undertakings entered into by the Government with persons or companies since January 1st, 1935, in connection with the establishment, erection or development of pulp mills, paper mills, pulp and paper mills, etc. Return ordered, 81.
11. As to cancellation, surrender or modification of licenses by licensees licensed to cut sawlogs, ties, pulpwood or other classes of lumber upon Crown lands. Return ordered, 82.
12. As to total quantity of pulpwood cut from Crown lands during each of the operating seasons 1934-35 to 1937-38 for which export permits were granted. Return ordered, 83.
13. As to whether the Minister of Lands and Forests made recommendation to the Lieutenant-Governor in Council to the effect that permission be granted to cut jackpine timber for manufacture of ties or other products upon the Long Lake Pulp Concession at a point or points adjacent to the Townships of Danford, Exton, Nakina. Return Ordered, 84.
14. As to total revenue received from customers by the Abitibi Canyon Development for the year 1938, 158.
15. As to total amount received by the Government from Annual Returns under The Companies Information Act for the years 1935 to 1938 inclusive, 74.

QUESTIONS—*Continued*

16. As to amount expended for approaches, bridges or highway in connection with the Thousand Islands International Bridge project, 122.
17. As to identity of contractors in charge of the construction of the new double lane highway from Town of Gananoque to double lane highway extending five miles west from Town of Brockville. Return ordered, 129.
18. As to acreage of mining lands in Ontario (a) under patent; (b) under lease; (c) staked, prior to patent and the rate of annual provincial taxation under each division, 120.
19. As to total cost of centre road from Brown's Line to Town of Burlington from November 1st, 1934, to date, 123.
20. As to work on Highway No. 2, from the east limit of the City of Belleville to the east limit of the four-lane highway, 123.
21. As to cost of grading and culvert construction on new four-lane highway in Ontario County, 123.
22. As to whether insurance company bonds held by the Province in respect of Abitibi Power and Paper Company Limited licensed timber areas have been surrendered by the Province, 105.
23. As to whether the waterway for the transportation of wood referred to in the agreement with Pulpwood Supply Company Limited is ready for the transportation of wood, 105.
24. As to whether the Government during the operating season 1934-35 advertised for sale the timber or any part thereof standing or growing upon the Townships of Copperfield and/or Bonar or any part or parts thereof, 106.
25. As to whether the Government has since August 1st, 1934, by Order-in-Council or other means or process other than advertisement and sale by tender increased the size of any areas held under license from the Crown for the cutting of pulpwood, saw-logs, railway ties or other kinds or classes of lumber or timber products. Return ordered, 85.
26. As to the total number employed by the Department of Game and Fisheries as of (a) March 1st, 1934; (b) July 1st, 1934; (c) March 1st, 1939, 106.
27. As to the number of persons employed in the Civil Service of Ontario as of March 31st, 1939, (a) Permanent; (b) Temporary; exclusive of outside Boards and Commissions and Liquor Control Board, 113.

QUESTIONS—*Continued*

28. As to amount of electrical energy measured in kilowatt hours purchased and generated and sold by the Hydro-Electric Power Commission during the year ending 31st October, 1938, 95.
29. As to the amount of Gasoline Tax rebates during the year ending March 31st, 1939. Removed from Order Paper, 107.
30. As to what persons other than Civil Servants were engaged by the Government to prepare or assist in preparing the submission of the Province of Ontario to the Rowell Commission, 107.
31. As to the constitution of the Public Trustee's staff and salaries received, 124.
32. As to the placement of Insurance by the Liquor Control Board, 132.
33. As to payments by the Government during the fiscal year ending March 31st, for cutting grass and weeds on the King's Highways, 127.
34. As to whether the Government has entered into or offered to enter into any arrangements with any licensee holding a license or permit to cut any class of timber upon Crown Lands, other than The Abitibi Power and Paper Company Limited. Removed from Order Paper, 129.
35. As to whether the Minister of Lands and Forests gave his consent to the transfer of control of the Nipigon Corporation, Limited, from the Canadian International Paper Company, Limited, to the Lake Sulphite Company, Limited, 127.
36. As to acreage of good agricultural land suitable for homestead purposes available for location by prospective settlers in each of the Townships open for settlement in the District of Cochrane. Removed from Order Paper, 129.
37. As to provision of courses of instruction in primary and secondary schools to feature the teaching of what the Crown and the Flag typify, 136.
38. As to whether the Department of Education approved of the use of History books entitled "Britain's Story," and The Kingsway Histories from the age of Elizabeth to modern times, 137.
39. As to grants to (a) Toronto University; (b) Western University; (c) Queen's University, for the fiscal year ending March 31st, 1938; (d) For the fiscal year ending March 31st, 1939, 120.
40. As to grants for the fiscal years ending March 31st, 1938 and March 31st, 1939, for the following purposes—(a) Public School grants, (b) Separate



QUESTIONS—*Continued*

School grants, (c) High School and Collegiate grants, (d) Agricultural School grants, (e) Vocational School grants, (f) University grants or other assistance, 121.

41. As to amount of electrical energy measured in kilowatt hours purchased and generated and sold by the Hydro-Electric Power Commission of Ontario in its Niagara System during the year ending 31st October, 1938, giving totals for both that purchased and that generated, 128.
42. As to what banks and amount in each were Hydro-Electric Power Commission funds on deposit at the close of the fiscal year, 31st March, 1938, 138.
43. As to salary of Mr. Purdom F. Love, Publicity Representative, Department of Agriculture, 128.
44. As to calling for tenders for redraping the Legislative Chamber for the King's visit, 138.
45. As to amount spent on maintenance and construction of Provincial Highway Number 24 from Shelburne to Collingwood during the past year, 128.
46. As to contracts let without advertisements for tenders by the Department of Highways for the grading, construction or improvement of highways or bridge building from April 1st, 1937 to date, 180.
47. As to number of men employed on Highway No. 24 between Collingwood, Shelburne and Stayner and on Highway No. 26 between Collingwood, Stayner and Thornbury, 159.
48. As to whether the Provincial Treasurer has since 1934 utilized the provision of Section 20 of the Succession Duty Act and applied to any Surrogate Court Judge to make enquiries into the matters mentioned in Section 20, 152.
49. As to legal fees paid Mr. A. G. Slaght, K.C., since July 1st, 1934, 153.
50. As to cost of new bridge on Highway No. 11 situated in Burk's Falls and opened in 1938. Return ordered, 183.

**R**ACE TRACKS TAX ACT, 1939, THE:

Bill (No. 56) introduced, 47. Resolution passed through the House, 60. Motion for Second reading debated, 61, 87. Second reading, 87. House in Committee and amended, 97. Third reading, 101. Royal Assent, 109. (3 George VI, c. 39.)

## RAILWAYS, COMMITTEE ON:

1. Authorized, 15.
2. Appointed, 27.

## RECORDED VOTE:

On motion for mobilization of Wealth and Man Power of Canada in the event of war, 44.

## REFORESTATION:

Motion for a county system of. Adopted, 86.

## REFORMATORIES:

See *Prisons*.

## REGISTRY ACT, THE:

Bill (No. 28) to amend, introduced, 17. Second reading, 26. House in Committee and amended, 32. Third reading, 34. Royal Assent, 108. (3 George VI, c. 40.)

## RESEARCH FOUNDATION, THE ONTARIO:

Report for year to December 31st, 1938, 121. (*Sessional Paper No. 48.*)

## RETURNS ORDERED:

1. Showing: (1) What amounts of Pulpwood did the Iroquois Falls mill of Abitibi Power & Paper Company, the Smooth Rock Falls mill of the Abitibi Power & Paper Company, the Kapuskasing mill of the Spruce Falls Company, each procure or purchase for each of the years 1935 to 1938, inclusive, from the Province of Quebec and certain other sources and what purchases, and from what sources, are contemplated for the season 1938-9, 80.
2. Showing: How many agreements or undertakings have been entered into by the Government with persons or companies since January 1st, 1935, to secure the establishment, erection or development of pulp mills, paper mills, pulp and paper mills or other industries of a similar nature with particulars as to names, dates, points of establishment, capacity and all particulars as to amounts to be expended, numbers of men to be employed, etc., 81.
3. Showing: Number of licenses to cut sawlogs, ties, pulpwood, etc., have been surrendered or cancelled since January 1st, 1935, giving particulars of the work done by such licensees, new licenses issued, etc., 82.

RETURNS ORDERED—*Continued*

4. Showing: What quantity of pulpwood was cut from Crown lands during each of the operating seasons of 1934-5 to 1937-8, inclusive, under license to export, what portion of such exports was cut under Orders-in-Council of March 23rd, 1935 and July 25th, 1935, what proportion was cut under provisions of The Forest Resources Regulation Act, with particulars of the licensees affected, destination of the exports, etc., 83.
5. Showing: Did the Minister of Lands and Forests during the operating season of 1934-5 recommend the granting of permission to cut jackpine timber on the Long Lac Pulp Concession; if so what permits were granted with particulars of the grantees, amount of cut, price charged, on whose recommendations, etc., 84.
6. Showing: Has the Government, since August 1st, 1934, by Order-in-Council or other means, other than by sale by tender, increased the size of areas held under license for the cutting of pulpwood, sawlogs, railway ties or other kinds or classes of timber with particulars of areas affected, holders of licenses, amount of increase, etc., 85.
7. Showing: 1. Copies of any agreements entered into since March 1st, 1938, by the Minister under The Forest Regulations Act, 1936. 2. Copies of any regulations or Orders-in-Council passed since March 1st, 1938, granting or cancelling any timber concessions or limits in the Province of Ontario, 107. Returned, 132. (*Sessional Paper No. 49.*)
8. Showing: Copies of all contracts, telegrams, correspondence and memoranda relating to the rights and reorganization of the Abitibi Power and Paper Company Limited since January 1st, 1937. 26. Returned, 94. (*Sessional Paper No. 46.*)
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| No. 3  | Report of the Department of Lands and Forests, Ontario, for year ending March 31st, 1938. Presented to the Legislature, March 31st, 1939. <i>Printed.</i>                     |
| No. 4  | Report of Department of Mines for year ending March 31st, 1938. Presented to the Legislature, April 27th, 1939. <i>Printed.</i>                                               |
| No. 5  | Report of the Inspector of Legal Offices, Ontario, for the year ending December 31st, 1938. Presented to the Legislature, March 28th, 1939. <i>Printed.</i>                   |
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| No. 7  | Report of the Registrar of Loan Corporations for year ending December 31st, 1938. Presented to the Legislature, April 27th, 1939. <i>Printed.</i>                             |
| No. 8  | Report of the Department of Public Works, Ontario, for year ending 31st March, 1938. Presented to the Legislature March 29th, 1939. <i>Printed.</i>                           |
| No. 9  | Report of the Game and Fisheries Department, Ontario, for year ending March 31st, 1938. Presented to the Legislature, April 17th, 1939. <i>Printed.</i>                       |
| No. 10 | Annual Report of the Department of Labour of the Province of Ontario for fiscal year ending March 31st, 1938. Presented to the Legislature, March 15th, 1939. <i>Printed.</i> |
| No. 11 | Report of the Department of Education, Ontario, for year ending October 31st, 1938. Presented to the Legislature, April 27th, 1939. <i>Printed.</i>                           |

- No. 12 Report of the Board of Governors of the University of Toronto for the year ending June 30th, 1938. Presented to the Legislature, March 9th, 1939. *Printed.*
- No. 13 Report of the Registration of Births, Marriages and Deaths in the Province of Ontario for year ending December 31st, 1938. Presented to the Legislature, April 27th, 1939. *Printed.*
- No. 14 Report of the Department of Health, Ontario, 1938. Presented to the Legislature, April 18th, 1939. *Printed.*
- No. 15 Annual Report of the Hospitals Division on The Ontario Hospitals for Mentally Ill, Mentally Defective, Epileptic and Habitual Patients for year ending March 31st, 1938. Presented to the Legislature, April 17th, 1939. *Printed.*
- No. 16 Annual Report of the Hospitals and Sanatoria of the Province for year ending September 30th, 1938. Presented to the Legislature, April 12th, 1939. *Printed.*
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- No. 18 Annual Report upon the Prisons and Reformatories of the Province of Ontario for the year ending March 31st, 1938. Presented to the Legislature, March 9th, 1939. *Printed.*
- No. 19 Report of the Department of Public Welfare, Ontario, for the period April 1st, 1937, to March 31st, 1938. Presented to the Legislature, April 18th, 1939. *Printed.*
- No. 20 Report of the Liquor Control Board of Ontario for year ending March 31st, 1938. Presented to the Legislature March 17th, 1939. *Printed.*
- No. 21 Report of the Minister of Agriculture for year ending March 31st, 1938. Presented to the Legislature, April 27th, 1939. *Printed.*
- No. 22 Report of the Statistics Branch, Department of Agriculture, for the year 1938. Presented to the Legislature, April 27th, 1939. *Printed.*
- No. 23 Annual Report of the Temiskaming and Northern Ontario Railway Commission for the year ending March 31st, 1938. Presented to the Legislature, March 13th, 1939. *Printed.*
- No. 24 Report of the Ontario Municipal Board for year ending December 31st, 1938. Presented to the Legislature, April 18th, 1939. *Not Printed.*
- No. 25 Return from the Records of the By-Elections to the Legislative Assembly held in the Electoral Districts of Hamilton Centre on the 23rd day of February and the 2nd day of March; Lambton East, on the 15th and 22nd days of March; Brantford on the 13th and



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No. 26 Report of The Hydro-Electric Power Commission of Ontario for year ending October 31st, 1938. Presented to the Legislature, March 31st, 1939. *Printed.*

No. 27 Report of the Provincial Auditor, Ontario, 1937-38. Presented to the Legislature, March 21st, 1939. *Printed.*

No. 28 Report of the Workmen's Compensation Board of Ontario, for year 1938. Presented to the Legislature, March 24th, 1939. *Printed.*

No. 29 Report of the Ontario Veterinary College for the year 1938. Presented to the Legislature, April 27th, 1939. *Printed.*

No. 30 Report of the Distribution of the Sessional Statutes of Ontario, 1938, from April 1st, 1938, to February 20th, 1939. Presented to the Legislature, March 10th, 1939. *Not Printed.*

No. 31 Report of the Department of Municipal Affairs for the Province of Ontario, 1938-1939. Presented to the Legislature, April 27th, 1939. *Not Printed.*

No. 32 Report of the Department of Highways for year ending March 31st 1938. Presented to the Legislature, April 27th, 1939. *Printed.*

No. 33 Report of the Secretary and Registrar of the Province of Ontario with respect to the Administration of The Companies Act; The Extra-Provincial Corporations Act; The Mortmain and Charitable Uses Act and The Companies Information Act, for the year ending March 31st, 1938. Presented to the Legislature, April 17th, 1939. *Not Printed.*

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- No. 35 Report of the Ontario Athletic Commission for year ending March 31st, 1938. Presented to the Legislature, April 19th, 1939. *Printed.*
- No. 36 Annual Report of the Public Service Superannuation Board, Ontario, for year ending March 31st, 1938. Presented to the Legislature, March 16th, 1939. *Not Printed.*
- No. 37 Annual Report of the Civil Service Commission of Ontario for year ending March 31st, 1938. Presented to the Legislature, March 16th, 1939. *Not Printed.*
- No. 38 Annual Report of the Ontario Historical Society for the year 1937-1938. Presented to the Legislature, March 9th, 1939. *Not Printed.*
- No. 39 Comparative statement of the Legislative grants apportioned to the Rural, Public and Separate Schools in the Counties and Districts for the years 1937-1938. Presented to the Legislature, March 9th, 1939. *Not Printed.*
- No. 40 Annual Report of The Niagara Parks Commission, 1936 and 1937. Presented to the Legislature, April 20th, 1939. *Printed.*
- No. 41 Report of the Royal Commission on Transportation, Ontario, 1938. Presented to the Legislature, March 13th, 1939. *Not Printed.*
- No. 42 Report of the Royal Commission on the operation of the Mental Hospitals Act, December, 1938. Presented to the Legislature, March 21st, 1939. *Not Printed.*
- No. 43 Report of F. H. Barlow, K.C., Commissioner on Homewood Sanitarium, Guelph. Presented to the Legislature, March 22nd, 1939. *Printed.*
- No. 44
- No. 45 Copies of Orders-in-Council pertaining to the Department of Education, 1938-1939. Presented to the Legislature, April 3rd, 1939. *Not Printed.*
- No. 46 Copies of all contracts, telegrams, correspondence and memoranda relating to the rights and reorganization of the Abitibi Power and Paper Company Limited since January 1st, 1937. Mr. Drew. Presented to the Legislature, April 6th, 1939. *Not Printed.*
- No. 47 Report of The Milk Control Board of Ontario for year ending December 31st, 1938. Presented to the Legislature, April 14th, 1939. *Not Printed.*
- No. 48 Report of The Ontario Research Foundation for the year ending December 31st, 1938. Presented to the Legislature, April 19th, 1939. *Printed.*

- No. 49 Return to an Order of the House dated 14th April, 1939, that there be laid before the House a Return of: 1. Copies of any agreements entered into since March 1st, 1938, by the Minister under The Forest Regulations Act, 1936. 2. Copies of any regulations or Orders-in-Council passed since March 1st, 1938, granting or cancelling any timber concessions or limits in the Province of Ontario. Mr. Drew. Presented to the Legislature, April 20th, 1939. *Not Printed.*
- No. 50 Preliminary Report on The Mineral Production in Ontario in 1938. Presented to the Legislature, April 21st, 1939. *Printed.*
- No. 51 Report of The Niagara Parks Commission for year ending March 31st, 1938. Presented to the Legislature, April 21st, 1939. *Printed.*
- No. 52 Return to an Order of the House dated April 20th, 1939, That there be laid before this House a Return showing: 1. Who are or were the contractors in charge of the construction of the new double lane highway from the Town of Gananoque to the double lane highway that extends about five miles west from the Town of Brockville. 2. Were tenders advertised for by the Department of Highways for all such work. 3. If so, who submitted tenders, and what was the amount of each tender received. 4. If not, what method was adopted by the Department in selecting Contractors to undertake the work. 5. What amount has been paid to each of the contractors by tender up to the present time. 6. What amount has been paid to each contractor without tender up to the present time. 7. What portion of the said highway has been completed. 8. What is the estimated cost of the completion of the highway. 9. When will the said highway be completed. 10. Were any of the original contracts extended, if so when and upon what basis was such extension made. How much has been paid on each extension. 11. From whom were lands purchased for right of way for the new double lane highway from the Town of Gananoque to the double lane that extends about five miles west of the Town of Brockville. What was the acreage and amount paid in each case. 12. What parcels were secured by (a) expropriation; (b) Negotiations. 13. How much was expended for the removal of buildings at or adjacent to the right of way, Giving the names and amounts paid to such owners. 14. Have payments been completed to all owners. If not, why not. Mr. Reynolds. Returned to the Legislature, April 24th, 1939. *Not Printed.*
- No. 53 Report upon Prisons and Reformatories of the Province of Ontario for year ending March 31st, 1939. Presented to the Legislature, April 27th, 1939. *Printed.*
- No. 54 Report upon The Industrial Schools and Training Schools of the Province of Ontario for year ending March 31st, 1939. Presented to the Legislature, April 27th, 1939. *Printed.*



## RETURNS ORDERED BUT NOT BROUGHT DOWN

1. Showing: 1. What amounts of Pulpwood did the Iroquois Falls mill of the Abitibi Power & Paper Company, the Smooth Rock Falls mill of the Abitibi Power & Paper Company, the Kapuskasing mill of the Spruce Falls Company, each procure or purchase from each of the following sources for each of the years 1935 to 1938, inclusive: (a) From the Province of Quebec; (b) From licensed areas in Ontario held by each of the companies or its subsidiaries; (c) From pulp concessions in Ontario; (d) From licensed areas in Ontario held by others; (e) From freehold lands owned by each company or its subsidiaries; (f) From settlers' lots not patented at the time the pulpwood was cut; (g) From settlers' lots patented at the time the pulpwood was cut. 2. (a) What amounts of pulpwood are to be purchased from settlers' in Ontario during the operating season 1938-39 for use in each of the three mills referred to in (1) above; (b) What amounts are to be cut from pulp concessions in Ontario; (c) What amounts are to be procured from licensed lands held by the companies or their subsidiaries; (e) What amounts are to be procured from licensed lands held by others; (f) What amounts are to be cut from freehold lands owned by the Companies; (g) What amounts are to be procured from all other sources not included in (a), (b), (c), (d), (e) and (f) above.
2. Showing: 1. (a) How many agreements or undertakings of any kind have been entered into by the Government with persons or companies since January 1st, 1935, to secure or promote the establishment, erection or development of pulp mills, paper mills, pulp and paper mills or other forest industries of a similar nature; (b) What are the names of the persons or companies with whom such agreements or undertakings have been entered into; (c) What is the date upon which each such agreement or undertaking was entered into; (d) At that point or points were such mills, plants or establishments to be erected in each case; (e) What kinds and classes of products were to be produced in each of such mills, plants or establishments; what was to be the rated productive capacity of each such mill, plant or establishment; (f) Upon what date was work to be commenced upon the actual construction, development or establishment of each such mill, plant or industry; (g) Did the agreements require that a certain stated portion of the work was to be completed and a certain stated sum of money expended on or before a certain definite date and if so what was that date and what amount of work was to be completed and money expended in each such case; (h) Did the agreements require that a certain number of men be employed for a certain specified time or season during each year and if so what number of men were in each case required to be employed and for what period or season of the year; (i) Were the foregoing requirements as to amount of work to be completed, money to be spent and men to be employed promptly and fully complied with and if not what were the names of the persons or companies who were delinquent or in default in complying with the terms of their agreement; (j) What were the particulars and extent of the delinquency or default in each case; (k) What guarantee, surety or security was posted with the Government in the form of cash, bonds, fidelity assurance or other collateral to ensure fulfillment of the terms of the agreement in each case; (l) Have the terms and conditions of each of the original agreements been



fully and promptly complied with by each of the persons or companies with whom they were entered into; (*m*) What are the names of the persons or companies who have failed to fully and promptly comply with the terms of the agreements they entered into and in what manner and particular and to what extent did each of such persons or companies fail to comply fully and promptly with the terms of their respective agreements; (*n*) Did the Government levy or assess any penalties or charges of any nature whatsoever against those persons or companies who failed to fully and promptly comply with the terms of their agreements; (*o*) Where cash, bonds or other collateral security had been deposited with the Government as a guarantee or surety for the due and full performance of the terms of the agreement and the person or company with whom the agreement was entered into was delinquent or in default with respect to the terms of such agreement, did the Government declare such guarantee or surety enforceable and the cash, bonds or other collateral deposited with the Government forfeit to the Crown and if so what were the names of those persons or companies against whom such action was taken and what were the sums or amounts declared enforceable and forfeit to the Crown in each case. 2. (*a*) Have any of the agreements referred to in (*l*) above been changed, modified or renewed; (*b*) If so, what part of the original agreement if any had in each case been complied with at the time of such change, modification and/or renewal; (*c*) What are the names of the persons or companies who failed to comply fully and promptly with the terms of their original agreements who were granted changes, modifications and/or renewals to their agreements; (*d*) What changes or modifications were in each case made to the original agreements; (*e*) What was the date in each case upon which an extension of time or renewal was granted and upon what date does the extension or renewal expire and determine; (*f*) Are the terms of the agreements as they now stand being fully and promptly complied with in each case and if not what are the names of the persons or companies who have failed to comply with the terms of their agreements since an extension of time or renewal was granted; (*g*) In what particulars has each of such persons failed to comply with the terms of the changed, modified or renewed agreement. 3. What sums of money are now due and unpaid on account of each of the agreements or changed or modified or renewed agreements referred to in (1) and (2) above, give names of persons or companies together with the amount now due in each case.

3. Showing: 1. How many licensees holding licenses from the Crown to cut sawlogs, ties, pulpwood or other classes of timber upon the lands of the Crown have surrendered their licenses or rights to cut, either entire or in part, upon the licensed areas or parts of licensed areas since January 1st, 1935. 2. How many licenses issued to operators to cut sawlogs, pulpwood, ties or other classes of timber upon the lands of the Crown have been cancelled or the licensed areas upon which cutting rights were granted reduced in area or the kinds and classes of timber to be cut increased or decreased by modification of the terms of the license since January 1st, 1935. 3. What were the terms and date in each instance for the surrender, cancellation or modification of the terms of the license or for the reduction of the licensed areas referred to in (1) and (2) above. 4. What payment in money or other consideration did the licensee receive

from the Crown in each instance for the surrender of any licensed area or part of a licensed area or for the surrender of the right to cut any specific kind or class of timber referred to in (1) and (2) above. 5. In what respect, if any, had the licensee in each case failed to fulfill the terms of the agreement under which the license was issued in respect to those licenses referred to in (1) and (2) above. 6. Had all of the timber granted under the terms of the licenses referred to in (1) and (2) above been removed prior to the surrender, cancellation or reduction of the area and if not what quantity of each kind and class of timber was estimated to be standing upon the area at the time of surrender, cancellation or reduction. 7. In cases where timber, ties, sawlogs, pulpwood or other material had not been removed as referred to in (6) above, what penalties, assessments for damages or other charges were levied and collected in each case and were any cash deposits, guarantees, bonds or other surety or security declared enforceable or forfeit to the Crown. If so, give particulars. 8. What was the size and location of each of the areas referred to in (1) and (2) above and who were the licensees in each case. 9. What price were the licensees in each case required to pay for each kind and class of timber cut upon the areas referred to in (1) and (2) above. 10. Has the Crown, since the surrender, cancellation, reduction or modification referred to in (1) and (2) above granted new licenses to either the former licensees or others to cut any class of timber upon the areas surrendered, cancelled or reduced. 11. If any license has been granted as in (10) above what is the size and the location of the area and to whom and when was such license granted and what price is in each case to be paid for each class and kind of timber to be cut.

4. Showing: 1. (a) What is the total quantity of pulpwood cut from the Crown lands during each of the operating seasons 1934-35 to 1937-38, inclusive, for which permits to export same were granted; (b) What portion of such pulpwood cut from the Crown lands for export during each of the above operating seasons was cut and exported under the authority of the Orders-in-Council of March 23rd, 1935, and July 25th, 1935; (c) What portion of such pulpwood cut from the Crown lands for export during each of the above operating seasons was cut and exported under the authority of the Forest Resources Regulation Act of 1936 and in what manner does that Act authorize the Government to suspend the manufacturing conditions with respect to the export of pulpwood cut from the lands of the Crown; (d) Under what other authority did the Government permit the exportation of pulpwood cut from the Crown lands and what amounts were cut and exported under each such other authority during each of the above operating seasons. 2. (a) What is the location and size of the areas of Crown lands from which pulpwood was cut for export during each of the operating seasons 1934-35 to 1937-38, inclusive; (b) By whom were such areas held at the time such pulpwood was cut for export and did the persons or companies who held the areas or in whose names the areas stood conduct the cutting operations and the sale of the pulpwood for export or were the operations and sale of the pulpwood carried on by others and if so who were those other persons or companies in each instance; (c) What amounts of pulpwood was cut from each of the above areas during each of the operating seasons 1934-35 to 1937-38, inclusive. 3. (a) To what foreign mills or manufacturing plants was the pulpwood referred

to in (1) and (2) above delivered during each of the years 1935 to 1938, inclusive and what amount was delivered to each mill during each year; (b) In what country, state and city, town or municipality are the mills or plants referred to in (a) above located or situated and what are the names of the persons or companies who own and operate them in each case; (c) By what means, power or authority does the Government of Ontario prevent the pulpwood cut and exported from the lands of the Crown being delivered to or consumed in mills other than those to which it is originally consigned and for which the permission to export is granted; (d) Has the Government the power to prevent the conversion of such pulpwood into newsprint after it has been legally taken or removed beyond the territorial borders or administrative jurisdiction of the Province of Ontario and if so what are such powers; (e) Does the Government permit foreign mills to which pulpwood cut from Crown lands is delivered to supply, sell or transfer to other foreign pulp and/or paper mills any kind of mechanically or chemically produced pulp and if not by what means, power or authority does it prevent such supply, sale or transfer; (f) Have the owners, operators or officers of the foreign mills to which the Government permits the export of pulpwood cut upon the Crown lands any financial, managerial or pecuniary interest of any kind whatsoever in other foreign mills which manufacture or produce newsprint; (g) Does the Government permit any person or company or any officer, director or shareholder of any company enjoying the right to export pulpwood cut upon the Crown lands to hold or have any financial, managerial or other pecuniary interest in newsprint producing mills or plants situated in the State to which they are permitted to export pulpwood cut from the Crown lands, "State" in this instance being one of those territorial and jurisdictional units of which the United States of America is composed.

5. Showing: 1. Did the Minister of Lands and Forests, during the operating season of 1934-35 make recommendation to the Lieutenant-Governor in Council to the effect that permission be granted to cut jackpine timber for the manufacture of ties or other products upon the Long Lake Pulp Concession at a point or points in or adjacent to the townships of Danford, Exton, Nakina. 2. Was such permission granted. If so on what date. To whom was it granted. 3. Was such timber offered for sale by tender or public auction. 4. What kinds and classes of timber were permitted to be cut. 5. For what quantity of each of such kinds and classes of timber was permission given to cut. 6. Did the original Order-in-Council under which operations on the area in question were permitted grant permission to occupy or cut upon the area for more than the single operating season of 1934-35. 7. What upset price or bonus was set by the Department, in addition to Crown dues, as payment for the timber cut upon the area at the time the Order-in-Council authorizing the cutting was passed. 8. Was the price as referred to in (7) above subsequently increased, reduced or otherwise changed or modified; if so, state changes made. 9. Did the Department's representative at Port Arthur make recommendation as to the price to be charged for the timber to be cut upon the area in question and if so what was such price. 10. Did the Deputy Minister of Lands and Forests make recommendation as to the price to be charged for the timber to be cut upon the area in question and if so what was such price. 11. What quantities of each of the kinds



and classes of timber covered in the original permit to cut were returned by the Department's agent as having been cut upon the area in question during the season of 1934-35. 12. Were kinds or classes of timber other than those covered by the original permit cut upon the area in question during the operating season of 1934-35. If so what kinds and classes were so cut; what quantity of each kind or class was cut and what price was paid for each kind or class. 13. Has the operator to whom the original permit to cut upon the area in question was granted, cut any timber upon the area since the season of 1934-35 and if so during what operating seasons has he operated thereon. 14. What quantities of each kind and class of timber has the operator cut upon the area during each of the operating seasons since that of 1934-35 and what prices have been paid for each kind or class of timber so cut. 15. Have permits to operate upon the area in question been granted to operators other than the person or company to whom the original permit was granted in the season of 1934-35 and if so what quantity of each kind and class of timber was in each instance cut and what were the prices paid for the same. 16. Did the Department of Lands and Forests at any time since the operating season of 1934-35 offer any of the timber on the area in question for sale by tender, at public auction or in any other manner whereby the value of the timber might have been determined through open and unrestricted competition. 17. Does any agreement or understanding exist between the Department of Lands and Forests and any operator or operators as to present or future operations upon the area in question. If so, what are the terms of such agreement or understanding.

6. Showing: 1. (a) Has the Government since August 1st, 1934, by Order-in-Council or by any other means or process other than by advertisement and sale by tender increased the size of any areas held under license from the Crown for the cutting of pulpwood, saw logs, railway ties or other kinds or classes of timber or timber products; (b) What are the names of the persons or companies holding such licenses the area of which has been increased as referred to in (a) above; (c) What was the size of the original area and what kinds and classes of timber were covered by the original license and what was the price paid for each of the original kinds and classes of timber in each case; (d) What was the size of the new area added to the original licensed area in each case and what kinds and classes of timber were permitted to be cut upon the new area and what prices were paid for each kind and class of timber thereon; (e) What quantities of each kind and class of timber has been cut upon the area covered by the original license for each of the operating seasons since the new area was added in each case; (f) What quantities of each kind and class of timber has been cut upon the new area for each operating season since it was added to the original licensed area in each case. 2. (a) Has the Government since August 1st, 1934, by Order-in-Council or by any other means or process other than by advertisement and sale by tender added to the kinds and classes of timber permitted to be cut under the terms of the original license any other additional kinds or classes of timber on the area originally licensed; (b) What are the names of the persons or companies holding such licenses and what additional kinds and classes of timber have in each case been added to the kinds and classes covered by the original license; (c) What price has been charged in each case for each kind or

class of timber added to those kinds and classes already covered under the terms of the original license; (*d*) What quantities of each kind or class of timber covered by the original license have in each case been cut during each operating season since the new kinds or classes of timber were added to the license to cut; (*e*) What quantities of each kind or class of timber added to the original license have in each case been cut during each operating season since the new kinds and classes of timber were added to those covered by the original license.

7. Showing: How much did the new bridge on Highway No. 11 situated in Burks Falls and opened in 1938, cost; (*a*) What was the amount of the original contract; (*b*) If changes were made what did these alterations cost; (*c*) How many engineers, surveyors, inspectors and superintendents were employed in connection with this structure.





# JOURNALS

OF THE

# LEGISLATIVE ASSEMBLY

OF THE

# PROVINCE OF ONTARIO

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WEDNESDAY, MARCH 8TH, 1939

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PROCLAMATION

R. S. ROBERTSON

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CANADA

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PROVINCE OF ONTARIO

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GEORGE THE SIXTH by the Grace of God of Great Britain, Ireland and the British Dominions beyond the Seas KING, Defender of the Faith, Emperor of India.

To Our Faithful, the Members elected to serve in the Legislative Assembly of our Province of Ontario, and to every of you—GREETING.

PROCLAMATION

G. D. CONANT, }  
*Attorney-General.* } **W**HEREAS it is expedient for certain causes and considerations to convene the LEGISLATIVE ASSEMBLY of Our said Province and, therefore, WE DO WILL that you and each of you and all others in this behalf interested, on WEDNESDAY, the eighth day of the month of March now next, at OUR CITY OF TORONTO, personally be and appear for the actual Despatch of Business, to treat, act, do

and conclude upon those things which, in Our Legislature of Our Province of Ontario, by the Common Council of Our said Province, may by the favour of God be ordained.

HEREIN FAIL NOT.

IN TESTIMONY WHEREOF We have caused these Our Letters to be made Patent and the GREAT SEAL of Our Province of Ontario to be hereunto affixed.

WITNESS: THE HONOURABLE ROBERT SPELMAN ROBERTSON,  
Chief Justice of Ontario, ADMINISTRATOR OF OUR GOVERNMENT  
OF OUR PROVINCE OF ONTARIO,

at Our City of Toronto, in Our said Province, this thirty-first day of January in the year of Our Lord one thousand nine hundred and thirty-nine and in the third year of Our Reign.

BY COMMAND.

C. F. BULMER,  
*Clerk of the Crown in Chancery.*

Wednesday, the eighth day of March, 1939, being the first day of the Third Session of the Twentieth Legislature of the Province of Ontario for the Despatch of Business pursuant to a Proclamation of the Honourable Robert Spelman Robertson, Administrator of the Government of the Province of Ontario.

And the House having met,

3 O'CLOCK P.M.

The Honourable the Lieutenant-Governor, having entered the House, took his seat on the Throne.

Mr. Nixon (Brant), the Provincial Secretary, then said,

I am commanded by the Honourable the Lieutenant-Governor to state that the Honourable Norman O. Hipel, having, after your last Session, by a letter addressed to the Honourable Mitchell F. Hepburn and the Honourable Harry C. Nixon, two members of the Legislative Assembly, resigned the Chair of the Legislative Assembly, it is therefore the pleasure of the Honourable the Lieutenant-Governor that you do forthwith choose a fit and proper person to be your Speaker and that you do present him whom you have so chosen to the Honourable the Lieutenant-Governor, in this House, at a later hour this afternoon for His Honour's approbation, when the Honourable the Lieutenant-Governor will declare the causes of his calling this Legislature.

The Honourable the Lieutenant-Governor was then pleased to retire.

The Clerk informed the House,

That there had been received during the recess of the House, as provided by the Revised Statutes of Ontario, 1937, Chapter 12, Section 23, and Revised Statutes of Ontario, 1937, Chapter 12, Section 32, notifications of vacancies which has occurred in the Membership of the House and Warrants had been issued to the Clerk of the Crown in Chancery for the issue of Writs for the election of Members to serve in the present Legislature for the following Electoral Districts:

Electoral District of Brantford.

Electoral District of Parkdale (Toronto).

Electoral District of Waterloo South.

Electoral District of Simcoe East.

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*To the Honourable Norman O. Hipel, M.P.P.,  
Speaker of the Legislative Assembly of the Province of Ontario.*

We, the undersigned, Mitchell Frederick Hepburn, Member of the said Legislative Assembly for the Electoral District of Elgin, and Harry Corwin Nixon, Member of the said Legislative Assembly for the Electoral District of Brant, do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of Brantford by reason of the death of Morrison Mann MacBride, heretofore the Member of the said Assembly for the said Electoral District of Brantford.

And we, the said Mitchell Frederick Hepburn and Harry Corwin Nixon, Members of the Assembly as aforesaid, hereby require you to issue a new Writ for the election of a member to fill the said vacancy.

In witness whereof, we have hereunto set our hands and seals on this Fourteenth day of June in the year of our Lord one thousand nine hundred and thirty-eight.

Signed and sealed in the presence of	}	M. F. HEPBURN	[L.S.]
R. H. ELMHIRST.		H. C. NIXON	[L.S.]

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*To the Honourable Norman O. Hipel, M.P.P.,  
Speaker of the Legislative Assembly of the Province of Ontario.*

We, the undersigned Harry Corwin Nixon, Member of the said Legislative Assembly for the Electoral District of Brant, and Harold James Kirby, Member of the said Legislative Assembly for the Electoral District of Eglinton, do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of Parkdale by reason of the death of

Frederick George McBrien, heretofore the Member of the said Assembly for the said Electoral District of Parkdale.

And we, the said Harry Corwin Nixon and Harold James Kirby, Members of the Assembly as aforesaid, hereby require you to issue a new Writ for the election of a Member to fill the said vacancy.

In witness whereof, we have hereunto set our hands and seals on this First day of September in the year of our Lord one thousand nine hundred and thirty-eight.

Signed and sealed in the presence of	}	H. C. NIXON	[L.S.]
A. E. SEMPLE.		HAROLD J. KIRBY	[L.S.]

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*To Charles Frederick Bulmer, Esquire,  
Clerk of the Crown in Chancery.*

We, the undersigned Harry Corwin Nixon, Member of the Legislative Assembly of the Province of Ontario, for the Electoral District of Brant and Harold James Kirby, Member of the said Legislative Assembly for the Electoral District of Eglinton, do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of Waterloo South, by reason of the acceptance of an office under the Crown, to wit: the office of Minister of Labour for the Province of Ontario, by Norman O. Hipel, Esquire, heretofore the Member of the said Assembly for the said Electoral District of Waterloo South.

And we, the said Harry Corwin Nixon and Harold James Kirby, Members of the Assembly as aforesaid, hereby require you to issue a new Writ for the election of a Member to fill the said vacancy.

In witness whereof, we have hereunto set our hands and seals on this Second day of September in the year of our Lord one thousand nine hundred and thirty-eight.

Signed and sealed in the presence of	}	H. C. NIXON	[L.S.]
A. E. SEMPLE.		HAROLD J. KIRBY	[L.S.]

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Toronto, Ontario,  
January 13th, 1939.

*To Leopold Macaulay, Member of the Legislative Assembly of the Province of Ontario for the Electoral District of York South and Thomas Alexander Murphy, Member of the Legislative Assembly of the Province of Ontario for the Electoral District of Beaches (Toronto).*

I hereby resign my seat in the Legislative Assembly of the Province of Ontario as the representative of the Electoral District of Simcoe East.



This declaration is made pursuant to the Legislative Assembly Act, Section 25.

Witnesses: F. S. ASNER,  
JAMES F. CASSIDY.

W. FINLAYSON [L.S.]

*To Charles Frederick Bulmer, Esquire,  
Clerk of the Crown in Chancery.*

We, the undersigned, Leopold Macaulay, Member of the Legislative Assembly of the Province of Ontario for the Electoral District of York South and Thomas Alexander Murphy, Member of the said Legislative Assembly for the Electoral District of Beaches (Toronto), do hereby notify you that a vacancy has occurred in the representation in the said Legislative Assembly for the Electoral District of Simcoe East by reason of the resignation of William Finlayson, Esquire, heretofore the Member of the said Assembly for the said Electoral District of Simcoe East.

And we, the said Leopold Macaulay and Thomas Alexander Murphy, Members of the Assembly as aforesaid, hereby require you to issue a new Writ for the election of a Member to fill the said vacancy.

In witness whereof we have hereunto set our hands and seals on this Thirteenth day of January in the year of our Lord one thousand nine hundred and thirty-nine.

Signed and sealed in the presence of  
F. S. ASNER.  
JAMES F. CASSIDY.

LEOPOLD MACAULAY [L.S.]

THOMAS ALEX MURPHY [L.S.]

The Clerk informed the House that he had received from the Clerk of the Crown in Chancery and had laid upon the Table the following certificates of the election of Members since the last Session of the House:—

Electoral District of Brantford—Henry Louis Hagey.

Electoral District of Parkdale—William J. Stewart.

Electoral District of Waterloo South—Norman O. Hipel.

Electoral District of Simcoe East—George Alexander Drew.

#### PROVINCE OF ONTARIO

This is to certify that in virtue of a Writ of Election, dated the Fourteenth day of June, A.D. 1938, issued by the Honourable the Lieutenant-Governor, and addressed to Justin Read, Esquire, Returning Officer for the Electoral District of Brantford, for the election of a Member to represent the said Electoral

District of Brantford in the Legislative Assembly of this Province, in the room of Morrison Mann MacBride, Esquire, who, since his election as representative of the said Electoral District of Brantford, has departed this life, Henry Louis Hagey, Esquire, has been returned as duly elected as appears by the Return of the said Writ of Election, dated the Twenty-fifth day of July, A.D. 1938, which is now lodged of record in my office.

C. F. BULMER,

*Clerk of the Crown in Chancery.*

Toronto, August 3rd, 1938.

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### PROVINCE OF ONTARIO

This is to Certify that in virtue of a Writ of Election, dated the Second day of September, A.D. 1938, issued by the Honourable the Lieutenant-Governor, and addressed to John E. Madden, Esquire, Returning Officer for the Electoral District of Parkdale, for the election of a Member to represent the said Electoral District of Parkdale in the Legislative Assembly of this Province, in the room of Frederick George McBrien, Esquire, who, since his election as representative of the said Electoral District of Parkdale, has departed this life, William J. Stewart, Esquire, has been returned as duly elected, as appears by the Return of the said Writ of Election, dated the Fourteenth day of October, A.D. 1938, which is now lodged of record in my office.

C. F. BULMER,

*Clerk of the Crown in Chancery.*

Toronto, October 19th, 1938.

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### PROVINCE OF ONTARIO

This is to Certify that in virtue of a Writ of Election dated the Second day of September, A.D. 1938, issued by the Honourable the Lieutenant-Governor, and addressed to William Elliott, Esquire, Returning Officer for the Electoral District of Waterloo South, for the election of a Member to represent the said Electoral District of Waterloo South in the Legislative Assembly of this Province, in the room of Norman O. Hipel, Esquire, who, since his election as representative of the said Electoral District of Waterloo South, has accepted an office of profit under the Crown, To wit: the office of Minister of Labour for the Province of Ontario, by reason whereof the seat of the said Norman O. Hipel has become vacant, Norman O. Hipel, Esquire, has been returned as duly elected, as appears by the Return of the said Writ of Election, dated the Twenty-ninth day of September, A.D. 1938, which is now lodged of record in my office.

C. F. BULMER,

*Clerk of the Crown in Chancery.*

Toronto, October 19th, 1938.

## PROVINCE OF ONTARIO

This is to Certify that in virtue of a Writ of Election, dated the Sixteenth day of January, A.D. 1939, issued by the Honourable the Lieutenant-Governor, and addressed to A. A. Ingram, Esquire, Returning Officer for the Electoral District of Simcoe East, for the election of a Member to represent the said Electoral District of Simcoe East in the Legislative Assembly for this Province, in the room of William Finlayson, Esquire, who, since his election as representative of the said Electoral District of Simcoe East, has resigned, George Alexander Drew, Esquire, has been returned as duly elected as appears by the Return of the said Writ of Election, dated the Fourteenth day of February, A.D. 1939, which is now lodged of record in my office.

C. F. BULMER,  
*Clerk of the Crown in Chancery.*

Toronto, February 15th, 1939.

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Henry Louis Hagey, Esquire, Member for the Electoral District of Brantford; William J. Stewart, Esquire, Member for the Electoral District of Parkdale, and George Alexander Drew, Esquire, Member for the Electoral District of Simcoe East, having taken the Oaths and signed the Roll, took their seats.

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The Clerk then read, for the information of the House, the following communications:—

Toronto, September 2nd, 1938.

*To Major Alex. C. Lewis,  
Clerk of the Legislative Assembly,  
Ontario.*

Dear Sir:

I beg to advise you for the information of the Legislative Assembly, that I have resigned my position as Speaker of the Assembly for the purpose of accepting an office under the Crown, namely the office of Minister of Labour for the Province of Ontario.

Yours very truly,

N. O. HIPEL.

Toronto, September 2nd, 1938.

*To the Honourable Mitchell F. Hepburn, Member of the Legislative Assembly of the Province of Ontario for the Riding of Elgin, and the Honourable Harry Corwin Nixon, Member of the Legislative Assembly of the Province of Ontario for the Riding of Brant:*

I, the undersigned Norman Otts Hipel, desire to resign the office of Speaker of the Legislative Assembly of the Province of Ontario, to which I was elected on the First day of December, one thousand nine hundred and thirty-seven, and I do hereby resign said office.

Given under my hand and seal, at Toronto, this Second day of September, A.D. 1938.

In the presence of FLORETTA A. PRITCHARD.

N. O. HIPEL.

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The Mace was then brought into the House and placed under the Table.

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And the Clerk having called for nominations for the office of Speaker, the Prime Minister, Mr. Hepburn (Elgin), addressing himself to the Clerk, proposed to the House for their Speaker, James Howard Clark, Esquire, Member for the Electoral District of Windsor-Sandwich, which motion was seconded by Mr. Drew, and it was.

*Resolved*, That James Howard Clark do take the Chair of this House as Speaker.

The Clerk having declared the Honourable James Howard Clark duly elected, he was conducted by the Prime Minister and Mr. Drew to the Chair, where, standing on the upper step, he returned his humble acknowledgements to the House for the great honour they had been pleased to confer upon him by choosing him to be their Speaker.

And thereupon he sat down in the Chair and the Mace was laid upon the Table.

The House then adjourned during pleasure.

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The Honourable the Lieutenant-Governor then re-entered the House and took his seat on the Throne.

Mr. Speaker then addressed His Honour to the following effect:—



*May it please Your Honour:*

The Legislative Assembly have elected me as their Speaker.

If, in the performance of those duties, I should at any time fall into error, I pray that the fault may be imputed to me and not to the Assembly whose servant I am and who, through me, the better to enable them to discharge their duty to their King and Country, hereby claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to your person at all seasonable times, and that their proceedings may receive from you the most favourable consideration.

The Provincial Secretary then said:—

*Mr. Speaker:*

I am commanded by the Honourable the Lieutenant-Governor to declare to you that he freely confides in the duty and attachment of the Assembly to His Majesty's person and Government, and, not doubting that the proceedings will be conducted with wisdom, temperance and prudence, he grants and upon all occasions will recognize and allow the constitutional privileges.

I am also commanded to assure you that the Assembly shall have ready access to His Honour upon all suitable occasions and that their proceedings, as well as your words and actions, will constantly receive from him the most favourable construction.

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The Honourable the Lieutenant-Governor was then pleased to open the Session with the following gracious speech:—

*Mr. Speaker and Gentlemen of the Legislative Assembly:*

The approaching visit of Their Majesties, King George VI and Queen Elizabeth, to this Assembly will make the present Session the most historic since the Ontario Legislature was constituted in 1867, and I am particularly happy, therefore, on this occasion, in welcoming you to your legislative duties.

As this will be the first time a British King and Queen have been in North America, and the visit will be the first paid by a reigning Sovereign to any of the self-governing Dominions, it is deeply gratifying that this Assembly will have the high privilege of expressing to His Majesty in person the loyalty and devotion we all share.

Since the last Session, the Minister of Labour, Mr. MacBride, and the member for Parkdale, Mr. McBrien, have passed away, and I join with you in paying tribute to their memory. The vacancy in the Cabinet has been filled by the appointment of the former Speaker of this House, Mr. Hipel, and to him I extend my congratulations.

I should also like to offer my congratulations to Major Clark, K.C., whom you have just elected as your new Speaker. Major Clark has had a distinguished



War record, and his practice of law both here and before the Privy Council in England will fit him admirably for the occupancy of the Speaker's chair.

I should also like to take this opportunity of extending my good wishes to Colonel Drew who, as the new leader of His Majesty's Loyal Opposition, has an important role to fill in the deliberations of this Assembly. I am also glad to welcome two other members, Mr. Hagey, of Brantford, who will now become the youngest member of the House, and Mr. Stewart, C.B.E., of Parkdale, who has rendered signal public service in the administration of this capital City of Toronto.

Although indications early in 1938 pointed to an improvement in business throughout the Province, this condition unfortunately did not continue. During the year there was expended in Ontario for Unemployment Relief approximately \$22,000,000; and unless there is a marked industrial improvement, this sum is likely to be exceeded in 1939. The Provincial Government assumed a greater proportion of this burden, amounting to 45% of the gross costs, and, in all but a few cases, the municipalities met their share of direct aid through tax levies and without recourse to the issuance of debentures which merely leaves until the future the payment of to-day's needs.

Plans have recently been formulated for a very limited experimental farm rehabilitation programme designed to assist families now receiving aid. Care is being taken to ensure that only those families best adapted to such a plan will be included.

Despite these increased burdens, the credit of the Province continues to stand at the high level it has enjoyed during recent years, and its bonds are now selling at the highest point in its history. It is perhaps not without significance that during the crisis of last September, Ontario bonds held their position better than the senior securities of any other public authority.

The finances of the municipalities of the Province have also continued to improve. Of the \$104,000,000 in default in Ontario at the time the Government took office, \$58,000,000 has now been refunded, and there are plans awaiting approval for an additional \$19,000,000.

The gross municipal debt at the end of 1933 amounted to \$494,400,000 and at the end of 1937 to \$425,700,000, a reduction of over \$68,000,000. In addition, the amount levied in 1933 for municipal purposes throughout Ontario was \$120,400,000, which was reduced at the end of 1937, to \$116,500,000.

This radical improvement during a period of economic distress is due in large measure to the policies of the Government in relieving the municipalities of all payments towards Provincial highways, Mother's Allowances, Old Age Pensions, and indigent patients in Sanatoria, together with a Provincial subsidy of one mill and increased aid to Township roads. A reduction in municipal interest rates last year of more than two per cent in many municipalities, as compared with the year 1933-34, is a direct result of this improvement and reflects the confidence of the investing public in the effective control of municipal borrowing exercised by the Ontario Municipal Board.

Establishment of schools for the instruction of municipal officials each year at London, Toronto, and Kingston has helped to raise the standards of municipal administration, and next year it is proposed to publish a manual of standard accounting for townships and villages.

A new method for equalizing assessments will be presented to you for approval and also an amendment to the Municipal Act requiring all elected officials of municipal councils to take the Oath of Allegiance.

The necessity for some form of Unemployment Insurance has been forcibly demonstrated during recent years, and my Ministers welcome the proposal of the Dominion Government to enact legislation dealing with this question. In order that there shall be no delay so far as Ontario is concerned, a Bill will be presented to you empowering the Government to enter into any necessary arrangements to place the scheme in effective operation at the earliest possible moment.

With livestock prices continuing good and excellent crops, Ontario's farm income for the year was well maintained, demonstrating the stability of our mixed farming. The demand from Great Britain and the United States for good dairy cows increased and should provide a definite outlet for some years to come, while the demand for Ontario cheese could only be partially filled.

I am glad to note that farmers generally throughout the Province are taking a keener interest in organized marketing, which is so necessary under modern conditions. The campaign against the weed menace continued, and the Government has developed and patented two new commercial weedkillers for use this spring.

In order to create a greater interest in the production of field crops, the Ontario Field Crop Improvement Association has been formed, and around it will be created County Field Crop and Seed Growers Associations, several of which are already in existence. The demand for agricultural information is steadily growing, and there has been a considerable increase in the attendance at short courses and lectures.

During the past year, definite progress has been made in the revision of the courses of study in the Secondary Schools, to provide a type of training which will enable our young people to adjust themselves more readily to the life of their communities. The Government derives much satisfaction from the knowledge that it has been able to contribute a Million Dollars more to the support of Schools throughout the Province than was possible a year ago.

The conciliation service rendered by the Department of Labour has resulted in a decided reduction of losses due to strikes, while the Youth Training Programme, in which various Departments co-operate, has trained 4,500 boys and girls for useful occupations, and placed 2,600 of them in employment.

Pensions for the blind have now been in operation for a year, and there are at present over 1,100 recipients. The Old Age Pension list has grown to over 60,000; while 12,000 mothers and 26,000 children benefit under the Mothers' Allowances Act.

The Department of Game and Fisheries has experienced another very active and entirely satisfactory year. Through the Department of Public Works, over \$150,000 has been expended in extending the facilities for hatching and rearing game fish. An extensive construction programme of ponds and hatcheries is nearing completion at Sandfield on Manitoulin Island, at Skeleton Lake in Muskoka, at Deer Lake in Peterborough County, and at Charlton in Temiskaming District, and the plants at Chatsworth, Dorion and other points have been greatly increased.

Ontario now has much greater facilities of this kind than the remainder of Canada combined, and is rapidly becoming equipped to meet the demands not only of our own citizens but of an ever increasing tourist trade attracted here by our unequalled angling and shooting.

The Sanatoria for Consumptives Act passed last Session made possible the discharge of a large number of patients for whom after-care and pneumothorax treatment was arranged, enabling several hundred more persons to be admitted for early treatment.

A Commission was also appointed to investigate cancer remedies, with the object of making available those found to be of value, and at the same time protecting sufferers from exploitation.

At the present time, the new mental Hospital at St. Thomas is being staffed, and patients from Institutions which are over-crowded will shortly be transferred there.

Consideration is also being given to a revision of the procedure governing the admission of patients to public and private mental Hospitals and their subsequent treatment and detention.

It is gratifying to note that although the Department of Highways issued eight per cent. more Permits and Licenses last year, deaths due to motor vehicle accidents were seventeen per cent. fewer, and property damage thirty per cent. lower. During the last ten years, registrations have doubled and to meet this heavy increase in traffic, a considerable mileage of divided highways has been graded and is approaching completion in Southern Ontario. In the northern part of the Province, more than four hundred miles have been graded to the highest standard and over one hundred miles of pavement have been laid.

The Liquor Control Board revised its regulations during the year to provide more effective administration of the Act, and close and systematic inspection of all licensed premises was continued. The Board waived exemption from business assessment and taxes throughout the Province, thus aiding municipal finances, and in addition, three hundred municipalities benefited by the distribution of nearly \$200,000.00, representing a percentage of their local authority fees.

There will be placed before you a resolution requesting the Dominion Parliament to repeal the Canada Temperance Act, as it applies to the Province of Ontario.



During recent months, the policing of the Province has been given considerable study. The Provincial Force has reached a high state of efficiency, and in all but two counties has now taken over the duties of High County Constable, but there is a great lack of co-ordination and of uniformity in municipal policing. Legislation aimed at remedying this condition to some extent will be placed before you for consideration.

The reference made to the Supreme Court of Canada last year with respect to social legislation, designed to safeguard the interests of women and children, resulted in the right of the Province to enact such legislation and to appoint the officials necessary for its enforcement being upheld.

A survey of the entire field of the Administration of Justice, with a view to simplifying and facilitating procedure, and effecting economies, has been instituted and is expected to be completed in the course of the next few months.

Special attention has been given to the necessity of securing adequate and uniform sentences in serious offences. The Attorney-General's Department has reviewed many cases, and has entered appeals where the sentences seemed inadequate, with salutary results.

The mining industry of the Province continued to show satisfactory progress. The production of gold made a new record, its value amounting to over 101 Millions of Dollars, which represents an increase of 11 per cent. over the previous year. Several new mines came into production during the year, and there are now fifty-six gold mills operating continuously. Due to this expansion in operations, there has been a marked increase in the number of men employed in the gold mines.

You will be asked to consider certain amendments to the Mining Act, with the object of helping prospectors, promoting the health and safety of employees at the mines, and providing for new regulations to assist in the prevention of high-grading of gold and other precious metals.

Legislation designed to give a certain measure of financial relief to the mining municipalities of Northern Ontario will also be submitted to you.

Continued development of the mining industry in Ontario was responsible for an increase of 26 per cent. in the primary load of the Northern Ontario Properties, which are held and operated by The Hydro-Electric Power Commission of Ontario on behalf of the Province.

Reduction of the farm service charge from \$2.00 to \$1.00 per month continued to have its effect, and rural primary lines approved for construction during the year reached 2,660 miles, to serve 14,000 additional customers, an all-time record. At present, there are approximately 15,800 miles of rural line serving about 100,000 customers distributed among nearly five hundred municipalities.

The winter primary peak load as supplied to the co-operating municipalities of the Niagara system this year was 6.2 per cent. higher than that of the previous winter, but due to a lower demand for power by the large electro-chemical and electro-metallurgical industries in the Niagara Falls district, the winter peak of



the total Niagara system primary load was only three per cent. greater. Primary peak loads on the other co-operative systems increased from five to eight per cent.

By the completion of a storage reservoir on Frederick House and Nighthawk lakes at the head waters of the Abitibi river, the dependable capacity of the Abitibi canyon generating station in Northern Ontario was increased by 40,000 horsepower.

Traffic on the T. & N. O. Railway has declined somewhat, particularly in the movement of pulp and paper from the Iroquois Falls Mill, which is running considerably below capacity, due to the lower demand for newsprint from the United States, and net earnings for the current year will, therefore, be lower than last year although there will be a considerable surplus over operating expenses.

In addition to the legislation already mentioned, Amendments to the Corporations Tax Act, Highway Traffic Act, Training Schools Act, Industrial Schools Act, The Coroner's Act, The Law Society Act, The Mortgages Act, The Game and Fisheries Act, The Tile Drainage Act, and to various other Statutes will also be introduced.

The Public Accounts for the year ending March 31st, 1938, have been published and estimates for the coming fiscal year will shortly be presented to you.

In conclusion, I trust that Divine Providence will guide your deliberations to the promotion of the public welfare.

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The Honourable the Lieutenant-Governor was then pleased to retire.

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PRAYERS.

Mr. Speaker then reported,

That he had obtained a copy of His Honour's Speech which, to prevent mistakes, he then read.

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Mr. Speaker informed the House that the Clerk had laid upon the Table:—

A Return from the Records of the By-Elections to the Legislative Assembly held in the Electoral Districts of Hamilton Centre on the 23rd day of February and the 2nd day of March; Lambton East, on the 15th and 22nd days of March; Brantford, on the 13th and 20th days of July; Waterloo South, on the 28th day of September; Parkdale, on the 28th day of September and the 5th day of October, 1938; and Simcoe East, on the 14th day of February, 1939, showing: 1. The number of votes polled for each candidate in each Electoral District in which there was a contest. 2. The majority whereby each successful candidate was returned. 3. The total number of votes polled. 4. The number of votes remain-

ing unpolled. 5. The number of names on the polling lists. 6. The number of ballot papers sent out to each polling place. 7. The used ballot papers. 8. The unused ballot papers. 9. The rejected ballot papers. 10. The cancelled ballot papers. 11. The declined ballot papers. 12. The ballot papers taken from polling places. 13. Total number of printed ballots not distributed to D.R.O.'s. 14. Total number of ballot papers printed. 15. A general summary of votes cast in each Electoral District. (*Sessional Papers No. 25.*)

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The following Bill was introduced and read the first time:—

Bill (No. 26), intituled, "An Act to amend The Mining Act." *Mr. Leduc.*

*Ordered*, That the Bill be read a second time to-morrow.

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On motion of Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That the Speech of the Honourable the Lieutenant-Governor be taken into consideration To-morrow.

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On motion of Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That Select Standing Committees of this House, for the present Session, be appointed for the following purposes: 1. On Privileges and Elections; 2. On Railways; 3. On Miscellaneous Private Bills; 4. On Standing Orders; 5. On Public Accounts; 6. On Printing; 7. On Municipal Law; 8. On Legal Bills; 9. On Agriculture; 10. On Fish and Game; 11. On Labour.

Which said Committees shall severally be empowered to examine and enquire into all such matters and things as shall be referred to them by the House, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

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Mr. Nixon (Brant) presented to the House, by command of the Honourable the Lieutenant-Governor:—

Public Accounts of the Province of Ontario for the twelve months ending March 31st, 1938. (*Sessional Papers No. 1.*)

*Ordered*, That the Public Accounts of the Province be referred to the Standing Committee on Public Accounts.

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The House then adjourned at 3.50 p.m.

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THURSDAY, MARCH 9TH, 1939

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PRAYERS.

3 O'Clock P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Acres, the Petition of the Municipal Corporation of the Township of Nepean.

By Mr. Campbell (Kent East), the Petition of the Corporation of the City of Chatham.

By Mr. Anderson, the Petition of the Corporation of the City of Niagara Falls.

By Mr. Guthrie, the Petition of the Corporation of the City of Sarnia.

By Mr. Cox, the Petition of the Corporation of the City of Port Arthur.

By Mr. Smith, the Petition of the Corporation of the Town of Waterloo.

By Mr. MacGillivray, the Petition of the Roman Catholic Episcopal Corporation for the Diocese of Alexandria.

By Mr. Blakelock, the Petition of the Corporation of the Township of Trafalgar.

By Mr. Strachan, the Petition of the Corporation of the City of Toronto.

By Mr. Bethune, the Petition of the Corporation of the Township of Barton.

By Mr. Armstrong, the Petition of the Corporation of the Town of Trout Creek.

The following Bills were severally introduced and read the first time:—

Bill (No. 27), intituled, "The Mortgagors' and Purchasers' Relief Act, 1939."  
*Mr. Conant.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 28), intituled, "An Act to amend The Registry Act." *Mr. Conant.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 29), intituled, "An Act to amend The Industrial Standards Act." *Mr. Hipel.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 30), intituled, "An Act to amend The Apprenticeship Act." *Mr. Hipel.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 31), intituled, "An Act to amend The Pharmacy Act." *Mr. Kirby.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 32), intituled, "An Act to amend The Venereal Diseases Prevention Act." *Mr. Kirby.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 33), intituled, "An Act to amend The Public Hospitals Act." *Mr. Kirby.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 34), intituled, "An Act to amend The Cemetery Act." *Mr. Kirby.*

*Ordered*, That the Bill be read the second time to-morrow.

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The Order of the Day for the Consideration of the Speech of The Honourable The Lieutenant-Governor at the opening of the Session having been read,

Mr. Hagey moved, seconded by Mr. Cooper,

That an humble Address be presented to The Honourable the Lieutenant-Governor as follows:—

*To The Honourable Albert Matthews,  
Lieutenant-Governor of the Province of Ontario.*

We, His Majesty's most dutiful and loyal subjects, the Legislative Assembly of the Province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us.



And a Debate having ensued, it was, on the motion of Mr. Drew,

*Ordered*, That the Debate be adjourned until Tuesday next.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Annual Report of the Ontario Historical Society for the year 1937-1938. (*Sessional Papers No. 38.*)

Also, Comparative Statement of the Legislative grants apportioned to the Rural, Public and Separate Schools in the Counties and Districts for the years 1937-1938. (*Sessional Papers No. 39.*)

Also, Report of the Board of Governors of the University of Toronto for the year ending June 30th, 1938. (*Sessional Papers No. 12.*)

Also, Annual Report upon the Prisons and Reformatories of the Province of Ontario for the year ending March 31st, 1938. (*Sessional Papers No. 18.*)

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The House then adjourned at 4.00 p.m.

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## FRIDAY, MARCH 10TH, 1939

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were read and received:—

Of the Municipal Corporation of the Township of Nepean, praying that an Act may pass authorizing the erection of the Township into a fire area, to provide for the payment of firemen and the purchase of apparatus.

Of the Corporation of the City of Chatham praying that an Act may pass authorizing the petitioners to raise \$50,000.00 by an issue of debentures and to loan the money to a Company for the erection of an arena.

Of the Corporation of the City of Niagara Falls, praying that an Act may pass to validate an agreement for a fixed assessment of \$240,000.00 on the property of the Niagara Lower Arch Bridge.

Of the Corporation of the City of Sarnia, praying that an Act may pass authorizing an issue of debentures of \$75,000.00 for the purpose of erecting a civic auditorium.

Of the Corporation of the City of Port Arthur, praying that an Act may pass authorizing the raising of \$25,000.00 by means of a debenture issue and the loan of the money to the Port Arthur Arena Company.

Of the Corporation of the Town of Waterloo, praying that an Act may pass authorizing a debenture issue of \$50,000.00 for the purpose of erecting a Municipal arena.

Of the Roman Catholic Episcopal Corporation for the Diocese of Alexandria, praying that an Act may pass to clarify the powers of the petitioners in regard to borrowing money and dealing in real estate.

Of the Corporation of the Township of Trafalgar, praying that an Act may pass authorizing the constitution of a Water Commission and the establishment of water areas.

Of the Corporation of the City of Toronto, praying that an Act may pass validating an agreement regarding the operation of the Toronto Airport, to validate tax sales and for other purposes.

Of the Corporation of the Township of Barton praying that an Act may pass authorizing the establishment of water and sewer areas and the construction of the necessary works to serve the same.

Of the Corporation of the Town of Trout Creek praying that an Act may pass placing the Town in the position of a Township under the terms of the Power Commission Act.

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On motion by Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That a Select Committee of nine members be appointed to prepare and report, with all convenient dispatch, lists of the members to compose the Select Standing Committees ordered by this House, to be composed as follows:—

*Messrs. Freeborn* (Chairman), *Campbell* (Kent East), *Carr*, *Glass*, *Henry*, *Kidd*, *Nixon* (Brant), *Oliver* and *Strachan*.

The quorum of the said Committee to consist of three members.

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On motion by Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant):

*Ordered*, That a Select Committee be appointed to act with Mr. Speaker in the control and management of the Library, to be composed as follows:—

*Messrs. Armstrong* (Chairman), *Arnott*, *Baird*, *Bélanger*, *Duncan*, *Henry*, *King*, *Leduc* and *Robertson*.

On motion by Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That a Select Committee be appointed to direct the expenditure of any sum set apart by the Estimates for Art Purposes, to be composed as follows:—

*Messrs. Hunter* (Chairman), *Bélanger, Black, Kelly, Kidd, McQuesten, Murray, Oliver* and *Patterson*.

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The following Bills were severally introduced and read the first time:—

Bill (No. 35), intituled, "An Act to amend The Coroners' Act." *Mr. Conant*.

*Ordered*, That the Bill be read the second time on Monday next.

Bill (No. 36), intituled, "An Act respecting Agricultural Societies." *Mr. Dewan*.

*Ordered*, That the Bill be read the second time on Monday next.

Bill (No. 37), intituled, "An Act to confirm Tax Sales." *Mr. Cross*.

*Ordered*, That the Bill be read the second time on Monday next.

---

On motion of Mr. Hepburn (Elgin), seconded by Mr. Drew,

*Resolved*, That an humble Address be presented to His Majesty, King George the Sixth, and His Queen, Elizabeth, on the occasion of their visit to this Legislative Chamber on May 22nd, Instant, the said Address to be engrossed and to be presented to His Majesty by the Honourable the Prime Minister on the occasion mentioned, such Address to be couched in the following terms:—

*To the King's Most Excellent Majesty,  
Most Gracious Sovereign.*

We, Your Majesty's loyal and dutiful subjects, the Legislative Assembly of the Province of Ontario, in Parliament assembled, beg leave to approach Your Majesty with feelings of most profound devotion and respect, to join with all Your Majesty's Subjects in Your Dominion of Canada in extending to You and to Your Gracious Consort, our Queen, Elizabeth, a joyful welcome on this, the first occasion on which our Empire's Sovereign has visited His Loyal Canadian People. This happy occasion will ever live in the memory of the people of Your Province of Ontario, and Your Majesty's gracious act in thus personally visiting Your Ontario Subjects will meet with a response in their hearts, and in their actions, which will go far in preserving and cementing those ties of Empire which are so vital to the preservation of World Peace during the troubled period through which the nations of the World are passing.

Ascending the Throne at a time of crisis which called for the exercise of statesmanship of the highest quality and the united support of all parts of the Empire, Your Majesty's strong and wise leadership and Your constant consideration for the well-being of Your people have confirmed and strengthened the joy with which Your Coronation was greeted by all Your Dominions, and the sincere love which was inspired in the hearts of His subjects by Your Gracious Father of blessed memory has been transferred to You in fullest measure. It is gratifying to all British Subjects to realize that our Empire is still regarded as the bulwark of freedom and the hope of civilization, and we are confident that under Your Majesty's wise and gracious leadership, our Statesmen will so continue to conduct the affairs of government that the Empire's proud position in World affairs will be maintained and strengthened, and the nations of the World directed along the paths of peace.

To Your Gracious Consort, Our Queen, Elizabeth, we also beg leave to present the devotion of this Assembly and of the people of Ontario whom we represent. The qualities displayed by Her Majesty in the discharge of the many tasks which devolve upon Her have awakened in Your People feelings of profound admiration and respect and our hope is that She may long be spared to be Your helpmate and inspiration in the performance of the onerous duties of the high office to which You have been called.

We would also humbly request that Your Majesty will convey the respectful and affectionate greeting of the people of Ontario to Your daughters the Princess Elizabeth and the Princess Margaret Rose, who have captured the hearts of Your people throughout the Empire.

In conclusion may we again express our deep gratitude for Your Majesty's gracious act in visiting the Province of Ontario, of which we are so proud, and assure You that the people of Ontario are and will be, as they have always been, proud to be a portion of the great Empire over which You reign, loyal in word and in deed to Your Person and to the Crown.

"God Save Our King" is ever the prayer on the lips and in the hearts of Your Majesties' most loyal subjects of the Province of Ontario.

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On motion by Mr. Hepburn (Elgin), seconded by Mr. Drew,

*Ordered*, That the Clerk be authorized to have the Address suitably engrossed in preparation for its presentation.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of the Distribution of the Sessional Statutes of Ontario, 1938, from April 1st, 1938, to February 20th, 1939. (*Sessional Papers No. 30.*)

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The House then adjourned at 5.00 p.m.



MONDAY, MARCH 13TH, 1939

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Trottier, the Petition of the Corporation of the Township of Sandwich West.

By Mr. Duncan, the Petition of the Corporation of the City of London.

By Mr. Arnott, the Petition of the Women's Christian Association of Belleville.

By Mr. Gardhouse, the Petition of the Corporation of the Township of Etobicoke.

Mr. Freeborn from the Select Committee appointed to Strike the Standing Committees of the House presented their first report which was read as follows, and adopted.

Your Committee recommends that the Standing Committee on Standing Orders be composed as follows:—

*The Honourable Mr. Hepburn, Messrs. Anderson, Arnott, Baker, Bélanger, Black, Brownridge, Campbell (Kent East), Carr, Cooper, Croll, Croome, Drew, Duckworth, Elgie, Elliott, Fletcher, Frost, Gardhouse, Glass, Guthrie, Habel, Henry, Houck, Kidd, King, Lamport, Leduc, Macfie, MacGillivray, MacKay, Miller, Murray, Nixon (Brant), Nixon (Temiskaming), Oliver, Patterson, Robertson, Sinclair, Strachan and Welsh—41.*

The quorum of the said Committee to consist of seven members.

On motion by Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That Mr. Patterson be appointed as Chairman of the Committee of the Whole House for the present session.

The following Bills were severally introduced and read the first time:—

Bill (No. 38), intituled, "An Act to amend The Tile Drainage Act." *Mr. Campbell (Sault Ste. Marie).*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 39), intituled, "An Act to amend The Judicature Act." *Mr. Campbell (Sault Ste. Marie).*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 40), intituled, "An Act to amend The Workmen's Compensation Act." *Mr. Campbell* (Sault Ste. Marie).

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 41), intituled, "An Act to amend The Public Health Act." *Mr. Kirby*.

*Ordered*, That the Bill be read the second time to-morrow.

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The following Bill was read the second time:—

Bill (No. 27), The Mortgagors' and Purchasers' Relief Act, 1939.

Referred to a Committee of the Whole House to-morrow.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of the Royal Commission on Transportation, Ontario, 1938. (*Sessional Papers No. 41.*)

Also, Annual Report of the Temiskaming and Northern Ontario Railway Commission for the year ending March 31st, 1938. (*Sessional Papers No. 23.*)

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The House then adjourned at 5.55 p.m.

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## TUESDAY, MARCH 14TH, 1939

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were read and received:—

Of the Corporation of the Township of Sandwich West, praying that an Act may pass to authorize the Township to levy a minimum tax on unimproved subdivision lots and for other purposes.

Of the Corporation of the City of London, praying that an Act may pass authorizing the closing of a certain street, validating tax sales and for other purposes.

Of the Women's Christian Association of Belleville, praying that an Act may pass giving the Petitioners authority to borrow money.

Of the Corporation of the Township of Etobicoke, praying that an Act may pass conferring on the Township the authority of a City in respect to making assessments and collecting taxes, to provide for the payment of Councillors and for other purposes.

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Mr. Glass, from the Standing Committee on Standing Orders, presented their First Report which was read as follows and adopted:—

Your Committee on Standing Orders has carefully examined the following Petitions and finds the Notices as published in each case sufficient:—

Of the Municipal Corporation of the Township of Nepean, praying that an Act may pass authorizing the erection of the Township into a Fire Area, to provide for the payment of firemen and the purchase of apparatus.

Of the Corporation of the Town of Waterloo, praying that an Act may pass authorizing a debenture issue of \$50,000.00 for the purpose of erecting a Municipal Arena.

Of the Corporation of the Township of Trafalgar, praying that an Act may pass authorizing the constitution of a Water Commission and the establishment of water areas.

Of the Corporation of the City of Toronto, praying that an Act may pass validating an agreement regarding the operation of the Toronto Airport, to validate tax sales and for other purposes.

Of the Corporation of the Township of Barton, praying that an Act may pass authorizing the establishment of water and sewer areas and the construction of the necessary works to serve the same.

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The following Bills were severally introduced and read the first time:—

Bill (No. 1), intituled "An Act respecting the Township of Nepean." *Mr. Acres.*

Referred to the Committee on Private Bills.

Bill (No. 7), intituled, "An Act respecting the Town of Waterloo." *Mr. Smith.*

Referred to the Committee on Private Bills.

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The Order of the Day for resuming the Adjourned Debate on the Motion

for consideration of the Speech of The Honourable the Lieutenant-Governor at the opening of the Session, having been read,

The Debate was resumed and, after some time,

Mr. Drew moved, seconded by Mr. Welsh,

THAT the Motion now before the House be amended by adding thereto the following words:

But this House regrets that the Speech from the Throne contains no statement concerning the past failure or future intention of the Premier of Ontario to confer with the Prime Minister of Canada for the purpose of considering joint action to increase employment and reduce the cost of Government.

The Debate was resumed and, after some time, it was on the motion of Mr. Lamport,

*Ordered*, That the Debate be further adjourned until Thursday next.

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The House then adjourned at 5.25 p.m.

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WEDNESDAY, MARCH 15TH, 1939

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PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Baker, the Petition of the Corporation of the Township of King.

By Mr. Hunter, the Petition of The Crescent School.

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The following Bills were severally introduced and read the first time:—

Bill (No. 42), intituled, "An Act to amend The Farm Products Grades and Sales Act." *Mr. Dewan.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 43), intituled, "An Act to amend The Farm Products Control Act." *Mr. Dewan.*

*Ordered*, That the Bill be read the second time to-morrow.



Bill (No. 44), intituled, "An Act to amend The Psychiatric Hospitals Act." *Mr. Kirby.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 45), intituled, "The Athletic Commission Act, 1939." *Mr. Kirby.*

*Ordered*, That the Bill be read the second time to-morrow.

Mr. Drew moved, seconded by Mr. Macaulay,

That there be tabled in this House all contracts, telegrams, correspondence, and memoranda relating to the rights, and reorganization of the Abitibi Power and Paper Company Limited since January 1st, 1937; and a debate having arisen after some time, the motion having been put, was carried, and it was

*Ordered*, That there be tabled in this House all contracts, telegrams, correspondence, and memoranda relating to the rights, and reorganization of the Abitibi Power and Paper Company Limited since January 1st, 1937.

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The following Bill was read the second time:—

Bill (No. 28), An Act to amend The Registry Act.

Referred to a Committee of the Whole House to-morrow.

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The Order of the Day for the second reading of Bill (No. 35), An Act to amend The Coroners' Act having been read, and a Debate arising, after some time, it was on the motion of Mr. Duckworth,

*Ordered*, That the Debate be adjourned.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Annual Report of the Department of Labour of the Province of Ontario for fiscal year ending March 31st, 1938. (*Sessional Papers No. 10.*)

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The House then adjourned at 5.35 p.m.

THURSDAY, MARCH 16TH, 1939

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Bélanger, the Petition of L'Institut Canadien Français de la Cité d'Ottawa.

By Mr. Strachan, the Petition of the Presbyterian Church in Canada.

The following Petitions were read and received:—

Of the Corporation of the Township of King, praying that an Act may pass authorizing the Township to assess for taxation purposes certain lands in the Holland Marsh District.

Of The Crescent School, praying that an Act may pass to repeal Section 3 of the Act respecting the Township of York, 1937, and exempt the School from taxation.

Mr. Freeborn, from the Select Committee appointed to strike the Standing Committee of the House, presented their second and final report which was read as follows, and adopted.

Your Committee recommends that the Standing Committees of the House, as listed hereunder, be composed as follows:—

#### COMMITTEE ON PRIVILEGES AND ELECTIONS

*The Honourable Mr. Hepburn, Messrs. Armstrong, Baird, Baker, Bélanger, Black, Brownridge, Carr, Conacher, Conant, Cooper, Croll, Croome, Cross, Dewan, Drew, Duncan, Elgie, Elliott, Fletcher, Freeborn, Frost, Glass, Gordon, Hagey, Heenan, Henry, Hipel, Hunter, Kidd, King, Kirby, Macaulay, Murphy, Murray, McQuesten, Nixon (Brant), Nixon (Temiskaming), Oliver, Patterson, Roebuck, Simpson, Stewart, Strachan, Welsh—45.*

The Quorum of the said Committee to consist of nine Members.

#### COMMITTEE ON RAILWAYS

*The Honourable Mr. Hepburn, Messrs. Acres, Anderson, Armstrong, Baird, Baker, Bradley, Brownridge, Campbell (Sault Ste. Marie), Carr, Challies, Conacher, Cox, Croome, Dewan, Dickson, Doucett, Duckworth, Dunbar, Duncan, Elgie, Gallagher, Glass, Gordon, Habel, Hagey, Haines, Heenan, Henry, Hepburn (Prince Edward-Lennox), Hipel, Hunter, Kelly, Kidd, Kirby, Macaulay, Macfie, Mercer,*

*Murphy, Murray, McEwing, McQuesten, Nixon (Temiskaming), Oliver, Patterson, Reynolds, Robertson, Sinclair, Smith, Spence, Strachan, Summerville, Trottier, Welsh—54.*

The Quorum of the said Committee to consist of nine Members.

#### COMMITTEE ON PRIVATE BILLS

*The Honourable Mr. Hepburn, Messrs: Acres, Anderson, Armstrong, Arnott, Baird, Baker, Ballantyne, Bégin, Bélanger, Bethune, Black, Blakelock, Brownridge, Campbell (Kent East), Carr, Conacher, Conant, Cooper, Cox, Croll, Croome, Cross, Dewan, Dickson, Downer, Drew, Duckworth, Dunbar, Duncan, Elgie, Elliott, Fairbank, Fletcher, Freeborn, Frost, Gardhouse, Glass, Hagey, Haines, Henry, Hipel, Houck, Hunter, Kelly, Kennedy, Kidd, King, Kirby, Lamport, Leduc, Macaulay, Macfie, Mackay, Miller, Murphy, Murray, Newlands, Nixon (Brant), Nixon (Temiskaming), Oliver, Patterson, Roebuck, Sinclair, Smith, Stewart, Strachan, Summerville, Trottier, Welsh—70.*

The Quorum of the said Committee to consist of nine Members.

#### COMMITTEE ON PUBLIC ACCOUNTS

*The Honourable Mr. Hepburn, Messrs. Acres, Anderson, Armstrong, Arnott, Baird, Baker, Ballantyne, Bélanger, Black, Blakelock, Bradley, Brownridge, Campbell (Kent East), Campbell (Sault Ste. Marie), Carr, Challies, Conant, Cooper, Cox, Croll, Cross, Dewan, Dickson, Doucett, Drew, Duckworth, Dunbar, Duncan, Elgie, Elliott, Fairbank, Fletcher, Freeborn, Frost, Gardhouse, Glass, Gordon, Heenan, Henry, Hipel, Houck, Kelly, Kidd, Kirby, Lamport, Leduc, Macaulay, Macfie, MacGillivray, Mackay, Mercer, Miller, Murphy, Murray, McEwing, McQuesten, Newlands, Nixon (Brant), Nixon (Temiskaming), Oliver, Patterson, Reynolds, Roebuck, Simpson, Smith, Stewart, Strachan, Welsh—68.*

The Quorum of the said Committee to consist of nine Members.

#### COMMITTEE ON PRINTING

*The Honourable Mr. Hepburn, Messrs. Acres, Bégin, Belanger, Campbell (Kent East), Challies, Cholette, Conacher, Cooper, Croome, Downer, Dunbar, Duncan, Fairbank, Gallagher, Guthrie, Henry, Hunter, Kidd, King, Kirby, Leduc, Murphy, McEwing, Nixon (Brant), Nixon (Temiskaming), Simpson, Strachan—28.*

The Quorum of the said Committee to consist of five Members.

#### COMMITTEE ON MUNICIPAL LAW

*The Honourable Mr. Hepburn, Messrs. Anderson, Baird, Ballantyne, Bégin, Bethune, Black, Blakelock, Bradley, Campbell (Kent East), Carr, Challies, Cholette, Cooper, Cox, Croll, Cross, Dewan, Dickson, Doucett, Drew, Duckworth, Elgie, Elliott, Fletcher, Freeborn, Gallagher, Gardhouse, Glass, Gordon, Hagey, Haines,*

*Henry, Hepburn (Prince Edward-Lennox), Hipel, Houck, Kelly, Kidd, King, Kirby, Lamport, Macaulay, Macfie, MacGillivray, Mackay, Mercer, Miller, Murphy, Murray, McEwing, McQuesten, Oliver, Robertson, Sinclair, Smith, Spence, Stewart, Strachan, Summerville, Trottier—60.*

The Quorum of the said Committee to consist of nine Members.

#### COMMITTEE ON LEGAL BILLS

*The Honourable Mr. Hepburn, Messrs. Anderson, Arnott, Baird, Bethune, Bradley, Conant, Cooper, Cox, Croll, Cross, Drew, Elgie, Elliott, Fletcher, Frost, Gordon, Glass, Hagey, Henry, Kidd, Kirby, Leduc, Macaulay, McQuesten, Newlands, Roebuck, Stewart, Strachan—29.*

The Quorum of the said Committee to consist of five Members.

#### COMMITTEE ON AGRICULTURE

*The Honourable Mr. Hepburn, Messrs. Acres, Armstrong, Baker, Ballantyne, Bégin, Bethune, Black, Blakelock, Brownridge, Campbell (Kent East), Campbell (Sault Ste. Marie), Carr, Challies, Cholette, Croome, Dewan, Dickson, Doucett, Downer, Drew, Duckworth, Duncan, Fletcher, Freeborn, Gardhouse, Guthrie, Habel, Heenan, Henry, Hepburn (Prince Edward Lennox), Houck, Hunter, Kennedy, Kidd, King, Macfie, MacGillivray, Mercer, Miller, Murphy, Murray, McEwing, Nixon (Brant), Nixon (Temiskaming), Oliver, Patterson, Reynolds, Robertson, Sinclair, Spence, Strachan, Trottier, Welsh—54.*

The Quorum of the said Committee to consist of nine Members.

#### COMMITTEE ON FISH AND GAME

*The Honourable Mr. Hepburn, Messrs. Acres, Armstrong, Baker, Ballantyne, Bélanger, Black, Blakelock, Bradley, Brownridge, Campbell (Kent East), Campbell (Sault Ste. Marie), Carr, Challies, Cholette, Conacher, Cooper, Cox, Croome, Dewan, Dickson, Doucett, Drew, Duncan, Elgie, Elliott, Fairbank, Fletcher, Freeborn, Gardhouse, Gordon, Guthrie, Habel, Haines, Heenan, Henry, Hepburn (Prince Edward-Lennox), Hunter, Kelly, Kidd, Kirby, Lamport, Macfie, MacGillivray, Mercer, Miller, Murphy, Murray, McEwing, Nixon (Brant), Nixon (Temiskaming), Oliver, Patterson, Reynolds, Robertson, Sinclair, Smith, Spence, Strachan, Trottier, Welsh—61.*

The Quorum of the said Committee to consist of nine Members.

#### COMMITTEE ON LABOUR

*The Honourable Mr. Hepburn, Messrs. Acres, Anderson, Baird, Bethune, Conacher, Conant, Cox, Croll, Croome, Cross, Downer, Drew, Duckworth, Dunbar, Gallagher, Gardhouse, Glass, Gordon, Guthrie, Hagey, Henry, Hipel, Houck, Hunter, Kidd, King, Kirby, Lamport, Mackay, Murphy, Murray, Roebuck, Strachan, Summerville, Trottier—36.*

The Quorum of the said Committee to consist of five Members.



The Order of the Day for resuming the Adjourned Debate on the Amendment to the Motion for consideration of the Speech of The Honourable the Lieutenant-Governor at the opening of the Session, having been read,

The Debate was resumed and, after some time, it was on the motion of Mr. Habel,

*Ordered*, That the Debate be further adjourned until Tuesday next.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Annual Report of the Civil Service Commissioner of Ontario for year ending March 31st, 1938. (*Sessional Papers No. 37.*)

Also, Annual Report of the Public Service Superannuation Board, Ontario, for year ending March 31st, 1938. (*Sessional Papers No. 36.*)

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The House then adjourned at 6.10 p.m.

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## FRIDAY, MARCH 17TH, 1939

PRAYERS.

3 O'CLOCK P.M.

The following Petitions were read and received:—

Of L'Institut Canadien Français de la Cité d'Ottawa, praying that an Act may pass authorizing an extension of the activities of the Institute and exempting its property from taxation.

Of the Presbyterian Church in Canada, praying that an Act may pass authorizing the formation of a Board of Trustees for the purpose of holding the Church property.

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The following Bills were severally introduced and read the first time:—

Bill (No. 11), intituled, "An Act respecting the City of Toronto." *Mr. Strachan.*

Referred to the Commissioners of Estates Bills.

Bill (No. 46), intituled, "An Act respecting the Co-ordination of Police Service." *Mr. Conant.*

*Ordered,* That the Bill be read the second time on Monday next.

Bill (No. 47), intituled, "An Act to amend The Crown Timber Act." *Mr. Heenan.*

*Ordered,* That the Bill be read the second time on Monday next.

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The Order of the Day for resuming the Adjourned Debate on the Motion for the second reading of Bill (No. 35), An Act to amend The Coroners' Act, having been read, the Debate was resumed and, after some time, the Motion having been put was carried, and the Bill was accordingly read the second time and referred to a Committee of the Whole House on Monday next.

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The following Bills were severally read the second time:—

Bill (No. 29), An Act to amend The Industrial Standards Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 30), An Act to amend The Apprenticeship Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 31), An Act to amend The Pharmacy Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 32), An Act to amend The Venereal Diseases Prevention Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 33), An Act to amend The Public Hospitals Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 34), An Act to amend The Cemetery Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 36), An Act respecting Agricultural Societies.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 37), An Act to confirm Tax Sales.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 38), An Act to amend The Tile Drainage Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 39), An Act to amend The Judicature Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 40), An Act to amend The Workmen's Compensation Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 41), An Act to amend The Public Health Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 44), An Act to amend The Psychiatric Hospitals Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 45), The Athletic Commission Act, 1939.

Referred to a Committee of the Whole House on Monday next.

---

The House resolved itself into a Committee to consider Bill (No. 27), The Mortgagors' and Purchasers' Relief Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time on Monday next.

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The House resolved itself into a Committee to consider Bill (No. 28), An Act to amend The Registry Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time on Monday next.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of the Liquor Control Board of Ontario for year ending March 31st, 1938. (*Sessional Papers No. 20.*)

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The House then adjourned at 4.05 p.m.

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MONDAY, MARCH 20TH, 1939

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PRAYERS.

3 O'CLOCK P.M.

The following Petition was brought up and laid upon the Table:—

By Mr. Dunbar, the Petition of the Rideau Club of Ottawa.

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Mr. Hipel, from the Select Committee appointed to consider a revision of the Rules of the House prepared by the Clerk, presented their report, which was read and received as follows:—

The Select Committee composed of Messrs. Clark, Henry and Hipel, which was appointed during the 1938 Session of this House with power to sit during the Recess for the purpose of considering a proposed revision of the Rules of the House which had been prepared by the Clerk, beg leave to present their report, as follows:—

Your Committee held several meetings and very carefully considered the Rules and the proposed revision with the result that certain additional alterations were made by unanimous vote of the Committee in addition to the amendments submitted by the Clerk. Your Committee feels that the Rules as now submitted to the House will facilitate the conduct of the business of this Assembly.

Your Committee therefore recommends the adoption of the Revised edition of the Rules which is attached to this Report, and that, if so adopted, the new Rules become effective on the First Day of May, 1939.

It is also recommended that the Rules as adopted be printed as an appendix to the Journals of the present Session of the House, and that the Clerk of the Assembly be authorized to have them published in book form for distribution, and that a copy of such book be mailed to each Member of the Assembly.

On motion by Mr. Hipel, seconded by Mr. Cross,

*Ordered*, That the report of the Committee be placed on the Order Paper for consideration on a future day.



Mr. Hunter moved, seconded by Mr. Strachan,

That in the opinion of this House the Government of Ontario should take cognizance of the fact that the present international crisis in Europe calls for immediate action on the part of the component parts of the British Empire in support of any action which it may be necessary for the Imperial Government to take.

And that this House hereby requests the Government to introduce a Bill at the earliest possible moment for the purpose of conscripting the property and civil rights of every individual in Ontario to the defence of our free institutions.

And that a copy of such Bill and of the Resolution be forwarded to the Government of Canada.

And a debate having arisen, after some time, it was on the motion of Mr. Hepburn (Elgin),

*Ordered*, That the debate be adjourned.

---

The following Bills were severally introduced and read the first time:—

Bill (No. 10), intituled, "An Act respecting the Township of Trafalgar." *Mr. Blakelock.*

Referred to the Committee on Private Bills.

Bill (No. 48), intituled, "An Act to amend The Law Society Act." *Mr. Conant.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 49), intituled, "An Act to amend The Insurance Act." *Mr. Conant.*

*Ordered*, That the Bill be read the second time to-morrow.

---

The following Bills were read the third time and were passed:—

Bill (No. 27), The Mortgagors' and Purchasers' Relief Act, 1939.

Bill (No. 28), An Act to amend The Registry Act.

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The following Bills were severally read the second time:—

Bill (No. 26), An Act to amend The Mining Act.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 42), An Act to amend The Farm Products Grades and Sales Act.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 43), An Act to amend The Farm Products Control Act.

Referred to a Committee of the Whole House to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 29), An Act to amend The Industrial Standards Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, that the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 30), An Act to amend The Apprenticeship Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 31), An Act to amend The Pharmacy Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report progress, and directed him to ask for leave to sit again.

*Resolved*, That the Committee have leave to sit again to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 32), An Act to amend The Venereal Diseases Prevention Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report progress, and directed him to ask for leave to sit again.

*Resolved*, That the Committee have leave to sit again to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 33), An Act to amend The Public Hospitals Act, and, after some time spent therein, Mr.

Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 34), An Act to amend The Cemetery Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 36), An Act respecting Agricultural Societies, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments..

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 37), An Act to confirm Tax Sales, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 38), An Act to amend The Tile Drainage Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 39), An Act to amend The Judicature Act, and, after some time spent therein, Mr.

Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 40), An Act to amend The Workmen's Compensation Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 41), An Act to amend The Public Health Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 44), An Act to amend The Psychiatric Hospitals Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 45), The Athletic Commission Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The House then adjourned at 5.30 p.m.



## TUESDAY, MARCH 21ST, 1939

## PRAYERS.

3 O'CLOCK P.M.

The following Petitions were severally brought up and laid upon the Table:—

By Mr. Henry, the Petition of the Corporation of the Town of Leaside.

By Mr. Cox, the Petition of the Corporations of the Cities of Port Arthur and Fort William.

By Mr. Belanger, the Petition of Aurélien Bélanger.

By Mr. Dunbar, the Petition of J. E. Stanley Lewis, E. A. Bourque, Aristide Belander, W. Elwood MacDonald and G. Percy Gordon.

The following Petition was read and received:—

Of the Rideau Club of Ottawa, praying that an Act may pass authorizing the petitioners to borrow, on mortgage security, the sum of \$170,000.00.

The following Bills were read the third time and were passed:—

Bill (No. 29), An Act to amend The Industrial Standards Act.

Bill (No. 30), An Act to amend The Apprenticeship Act.

Bill (No. 33), An Act to amend The Public Hospitals Act.

Bill (No. 34), An Act to amend The Cemetery Act.

Bill (No. 38), An Act to amend The Tile Drainage Act.

Bill (No. 39), An Act to amend The Judicature Act.

Bill (No. 40), An Act to amend The Workmen's Compensation Act.

Bill (No. 44), An Act to amend The Psychiatric Hospitals Act.

Bill (No. 45), The Athletic Commission Act, 1939.

The Order of the Day for resuming the Adjourned Debate on the Amendment to the Motion for consideration of the Speech of The Honourable the Lieutenant-Governor at the opening of the Session, having been read,

The Debate was resumed and, after some time, it was on the motion of Mr. Kelly,

*Ordered*, That the Debate be further adjourned until Thursday next.

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Mr. Kidd asked the following Question (No. 3):—

1. What was the purchase price of the old Government House property at the corner of King and Simcoe Streets, Toronto, Ontario. 2. To whom was it sold. 3. What date was it sold. 4. What was the total amount realized from the sale of the old Government House property. 5. What was paid for the site of Chorley Park. 6. What was the cost of construction of buildings on Chorley Park site. 7. What has been the total capital expenditure on Chorley Park property, including site, buildings and furnishings, to date. 8. Has Chorley Park been disposed of; (a) If so, to whom. 9. What amount was realized out of the sale of house furnishings at Chorley Park.

The Honourable the Minister of Public Works replied as follows:

1. Transferred at the time of Confederation without consideration. 2. Canadian Pacific Railway Company. 3. 1910. 4. \$800,000.00. 5. \$153,653.22. 6. \$895,008.13. 7. \$1,122,189.97. 8. (a) Yes. (b) Sick Children's Hospital. 9. \$18,605.40. Only portion of furnishings sold, as greater amount retained for Lieutenant-Governor's suite and for other Government use.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of the Provincial Auditor, Ontario, 1937-38. (*Sessional Papers No. 27.*)

Also, Report of the Royal Commission on the operation of the Mental Hospitals Act, December, 1938. (*Sessional Papers No. 42.*)

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The House then adjourned at 5.55 p.m.

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WEDNESDAY, MARCH 22ND, 1939

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PRAYERS.

3 O'CLOCK P.M.

The following Petitions were read and received:—

Of the Corporation of the Town of Leaside, praying that an Act may pass

authorizing the division of the Town into four wards and to fix the number of the Town Council at seven.

Of the Corporations of the Cities of Port Arthur and Fort William, praying that an Act may pass authorizing each of the said Corporations to make a grant or loan of \$5,000.00 to the Canadian Lakehead Exhibition.

Of Aurélien Bélanger, praying that an Act may pass authorizing the Law Society of Upper Canada to admit the petitioner to the practice of Law in Ontario.

Of J. E. Stanley Lewis, E. A. Bourque, Aristide Bélanger, W. Elwood MacDonald and G. Percy Gordon, praying that an Act may pass for the purpose of incorporating the "City of Ottawa Superannuation Fund."

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Mr. Glass from the Standing Committee on Standing Orders presented their Second Report which was read as follows and adopted:—

Your Committee on Standing Orders has carefully examined the following Petitions and finds the Notices as published in each case sufficient:—

Of the Corporation of the City of Chatham, praying that an Act may pass authorizing the Petitioners to raise \$50,000.00 by an issue of debentures and to loan the money to a Company for the erection of an Arena.

Of the Corporation of the City of Niagara Falls, praying that an Act may pass to validate an agreement for a fixed assessment of \$240,000.00 on the property of the Niagara Lower Arch Bridge.

Of the Corporation of the City of Port Arthur, praying that an Act may pass authorizing the raising of \$25,000.00 by means of a debenture issue and the loan of the money to the Port Arthur Arena Company.

Of L'Institut Canadien Français de la Cité d'Ottawa, praying that an Act may pass authorizing an extension of the activities of the Institute and exempting the property from taxation.

Of the Corporation of the Town of Trout Creek, praying that an Act may pass placing the Town in the position of a Township under the terms of the Power Commission Act.

Of the Corporation of the Township of King, praying that an Act may pass authorizing the Township to assess for taxation purposes certain lands in the Holland Marsh District.

In regard to the Petition of the Crescent School your Committee finds that the notice has been published the required number of times in the Ontario Gazette, but that there has been no publication in a newspaper in or adjacent to the Municipality in which the School is located.

The only interested party in addition to the applicants is the Corporation of the Township of East York and the applicants claim, and their claim has been substantiated by the Clerk of the Assembly, that the Corporation has received, in good time, written notice of the petitioners' application.

The Solicitor for the Corporation has advised the Clerk that he will attend before the Committee on Private Bills when the Bill is called for consideration.

Under the circumstances your Committee recognizes the notice given as sufficient and hereby report the Petition.

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The following Bills were severally introduced and read the first time:—

Bill (No. 2), intituled, "An Act respecting the City of Chatham." *Mr. Campbell* (Kent East).

Referred to the Committee on Private Bills.

Bill (No. 6), intituled, "An Act respecting the City of Port Arthur." *Mr. Cox.*

Referred to the Committee on Private Bills.

Bill (No. 9), intituled, "An Act respecting L'Institut Canadien Français de la Cité d'Ottawa." *Mr. Bélanger.*

Referred to the Committee on Private Bills.

Bill (No. 15), intituled, "An Act respecting the Town of Trout Creek." *Mr. Armstrong.*

Referred to the Committee on Private Bills.

Bill (No. 21), intituled, "An Act respecting The Crescent School." *Mr. Hunter.*

Referred to the Committee on Private Bills.

Bill (No. 12), intituled, "An Act respecting the Township of Barton." *Mr. Bethune.*

Referred to the Committee on Private Bills.

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Bill (No. 50), intituled, "An Act to amend The Assessment Act." *Mr. Macfie.*

*Ordered,* That the Bill be read the second time to-morrow.



Bill (No. 51), intituled, "An Act to amend The Optometry Act." *Mr. MacGillivray.*

*Ordered,* That the Bill be read the second time to-morrow.

Bill (No. 52), intituled, "The Training Schools Act, 1939." *Mr. Nixon (Brant).*

*Ordered,* That the Bill be read the second time to-morrow.

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The following Bills were read the third time and were passed:—

Bill (No. 36), An Act respecting Agricultural Societies.

Bill (No. 41), An Act to amend The Public Health Act.

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The following Bills were severally read the second time:—

Bill (No. 47), An Act to amend The Crown Timber Act.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 48), An Act to amend The Law Society Act.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 49), An Act to amend The Insurance Act.

Referred to a Committee of the Whole House to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 26), An Act to amend The Mining Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered,* That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered,* That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 42), An Act to amend The Farm Products Grades and Sales Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered,* That the Bill be read the third time to-morrow.

The House resolved itself into a Committee to consider Bill (No. 43), An Act to amend The Farm Products Control Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

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The Order of the Day for resuming the Adjourned Debate on the Amendment to the Motion for consideration of the Speech of The Honourable the Lieutenant-Governor at the opening of the Session, having been read,

The Debate was resumed and, after some time, it was on the motion of Mr. Glass,

*Ordered*, That the Debate be further adjourned until to-morrow.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of F. H. Barlow, K.C., Commissioner on Homewood Sanitarium, Guelph. (*Sessional Papers No. 43.*)

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The House then adjourned at 5.15 p.m.

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## THURSDAY, MARCH 23RD, 1939

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PRAYERS.

3 O'CLOCK P.M.

The following Bill was introduced and read the first time:—

Bill (No. 53), intituled, "An Act to amend The Sanatoria for Consumptives Act." *Mr. Kirby.*

*Ordered*, That the Bill be read the second time to-morrow.

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Mr. Kidd asked the following Question (No. 2):—

1. What amount has been received from the Federal Government for the

Dominion Provincial Youth Training Plan: (a) March 31st, 1937, to March 31st, 1938; (b) March 31st, 1938, to date. 2. What amount was spent by the Province of Ontario for the Dominion-Provincial Youth Training Plan: (a) March 31st, 1937, to March 31st, 1938; (b) March 31st, 1938, to date. 3. How many were trained under this plan: (a) March 31st, 1937, to March 31st, 1938; (b) March 31st, 1938, to date.

The Honourable the Prime Minister replied as follows:—

1. (a) \$73,352.04; (b) Received after March 31st, 1938, \$36,983.47; Total, 1937-38 Agreement, \$110,335.51; To February 28th, 1939, \$39,525.79. 2. (a) \$225,301.96; (b) To February 28th, 1939, \$119,383.25. 3. (a) 2,934; (b) To February 28th, 1939, 1,534.

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The following Bills were read the third time and were passed:—

Bill (No. 26), An Act to amend The Mining Act.

Bill (No. 42), An Act to amend The Farm Products Grades and Sales Act.

Bill (No. 43), An Act to amend The Farm Products Control Act.

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The Order of the Day for resuming the Adjourned Debate on the Motion, That in the opinion of this House the Government of Ontario should take cognizance of the fact that the present international crisis in Europe calls for immediate action on the part of the component parts of the British Empire in support of any action which it may be necessary for the Imperial Government to take, and that this House hereby requests the Government to introduce a Bill at the earliest possible moment for the purpose of conscripting the property and civil rights of every individual in Ontario to the defence of our free institutions, and that a copy of such Bill and of the Resolution be forwarded to the Government of Canada, having been read,

The Debate was resumed, and, after some time, Mr. Hepburn (Elgin) moved, seconded by Mr. Nixon (Brant), That the Motion now before the House be amended to read as follows:—

*Resolved:* That in the opinion of this House the Government of Ontario should take cognizance of the fact that the present international crisis in Europe calls for immediate action on the part of the component parts of the British Empire in support of any action which it may be necessary for the Imperial Government to take.

And that this Legislative Assembly of Ontario hereby petitions the Federal Parliament of Canada now in Session to immediately pass Legislation providing that in the event of a War emergency the wealth and man power of Canada shall be mobilized by proclamation of the Governor-in-Council, for the duration of the War, in defence of our free institutions.

"And that a copy of this Resolution be forwarded to the Government of Canada."

And a Debate having arisen, after some time, the Motion as amended was carried on a recorded vote as follows:—

## YEAS

Acres	Downer	Kidd
Anderson	Drew	King
Arnott	Duckworth	Kirby
Baird	Dunbar	Lamport
Baker	Duncan	Leduc
Ballantyne	Elgie	Macaulay
Bégin	Elliott	MacGillivray
Bélanger	Fairbank	MacKay
Bethune	Fletcher	Mercer
Blakelock	Freeborn	Miller
Bradley	Frost	Murphy
Brownridge	Gallagher	McEwing
Campbell (Sault Ste. Marie)	Gardhouse	Newland
Campbell (Kent, East)	Glass	Nixon (Brant)
	Gordon	Nixon (Temiskaming)
Carr	Guthrie	
Challies	Habel	
Cholette	Hagey	Patterson
Conacher	Heenan	Reynolds
Conant	Henry	Robertson
Cooper	Hepburn (Prince Edward-Lennox)	Roebuck
Cox	Hepburn (Elgin)	Sinclair
Croll		Smith
Croome	Hipel	Stewart
Dewan	Hunter	Strachan
Dickson	Kelly	Summerville
Doucett	Kennedy	Trottier
		Welsh—78.

## NAVS—0

The Order of the Day for resuming the Adjourned Debate on the Amendment to the Motion for consideration of the Speech of The Honourable the Lieutenant-Governor at the opening of the Session, having been read,

The Debate was resumed and, after some time, it was on the motion of Mr. Bélanger,

*Ordered*, That the Debate be adjourned.

The House then adjourned at 5.30 p.m.



FRIDAY, MARCH 24TH, 1939

PRAYERS.

3 O'CLOCK P.M.

The following Bill was read the third time and was passed:—

Bill (No. 37), An Act to confirm Tax Sales.

Mr Conant moved, seconded by Mr. Hepburn (Elgin),

That in the opinion of this House The Canada Temperance Act, Revised Statutes of Canada, 1927, Chapter 196, should be repealed as it applies to the Province of Ontario, and this House accordingly requests the Government of Canada forthwith to effect such repeal, and directs that a copy of this resolution be forwarded to the Honourable the Prime Minister of Canada.

And a debate having arisen, after some time, it was on the motion of Mr. Hepburn (Elgin),

*Ordered*, That the debate be adjourned until Monday next.

The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of The Workmen's Compensation Board of Ontario for year 1938. (*Sessional Papers No. 28.*)

The House then adjourned at 4.55 p.m.

MONDAY, MARCH 27TH, 1939

PRAYERS.

3 O'CLOCK P.M.

On motion by Mr. Lamport, seconded by Mr. Fletcher,

*Ordered*, That notwithstanding failure to comply with Rules No. 60 and No. 63 of this House regarding intention to petition for a Private Bill, leave be given to present a petition of the Trustees of the Toronto General Hospital for a Private Bill and the same be now read and received and that leave be given to introduce Private Bill No. 25, "An Act respecting the Estate of Margaret Emma Bingham and the Toronto General Hospital" and the Bill, when so introduced,

shall stand referred for consideration by the Commissioners of Estate Bills without previous consideration by the Standing Committee on Standing Orders, and that the provisions of Rules No. 60, No. 63 and No. 66 of this House be suspended so far as they apply to this Motion.

The following Petition was accordingly read and received:—

Of the Trustees of the Toronto General Hospital praying that an Act may pass authorizing an alteration in the terms of a bequest to the Hospital by the late Margaret Emma Bingham.

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The following Bills were severally introduced and read the first time:—

Bill (No. 56), intituled, "The Race Tracks Tax Act, 1939." *Mr. Leduc.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 55), intituled, "The Security Transfer Tax Act, 1939." *Mr. Leduc.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 54), intituled, "The Corporations Tax Act, 1939." *Mr. Leduc.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 57), intituled, "An Act to amend The Assessment Act." *Mr. Lamport.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 58), intituled, "An Act to amend The Highway Traffic Act." *Mr. Lamport.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 59), intituled, "An Act to amend The Highway Improvement Act." *Mr. McQuesten.*

*Ordered*, That the Bill be read the second time to-morrow.

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Mr. Challies asked the following Question (No. 9):—

1. What was the total amount paid to the Ontario Cheese Producers' Association by the Producers each year since its organization. 2. What was the total amount paid by the Producer to the Cheese Producers' Association each year since its organization in (a) Grenville County; (b) Dundas County.

The Honourable the Minister of Agriculture replied as follows:

1. No money was paid by the producers to the Ontario Cheese Producers' Association since its organization. The total amount paid to the Ontario Cheese Producers' Marketing Board each year since its organization is as follows: 1935, \$18,436.65; 1936, \$6,830.58; 1937, \$38,671.89; 1938, \$40,099.63. 2. None. The total amounts paid by the producers to the Ontario Cheese Producers' Marketing Board each year since its organization in (a) Grenville County: 1935, \$638.76; 1936, \$189.60; 1937, \$1,344.04; 1938, \$1,102.06; (b) Dundas County: 1935, \$1,593.44; 1936, \$545.04; 1937, \$2,893.76; 1938, \$2,652.50. The amounts for 1935 and 1936 were collected under the provisions of the Dominion Natural Products Marketing Act and were not paid by the producers but were paid by the buyers at the rate of 5c. per cwt. of cheese in addition to the purchase price of the cheese. The amounts paid in 1937 and 1938 were collected under the provisions of the Ontario Farm Products Control Act and were paid by the producers through being deducted by the buyers at the rate of 5c. per cwt. of cheese from the purchase price of the cheese.

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The Order of the Day for resuming the Adjourned Debate on the Motion, That in the opinion of this House The Canada Temperance Act, Revised Statutes of Canada, 1927, Chapter 196, should be repealed as it applies to the Province of Ontario, and this House accordingly requests the Government of Canada forthwith to effect such repeal, and directs that a copy of this resolution be forwarded to the Honourable the Prime Minister of Canada, having been read.

The Debate was resumed, and after some time, Mr. Kidd moved, seconded by Mr. Frost,

That the Motion be amended by striking out all the words after the word House in the second line, and substituting therefor the following:—

The Attorney-General should take the necessary steps to obtain a judicial decision so that there may be no doubt about the procedure which should be adopted to make it possible to enforce the law governing the sale and consumption of liquor in the Province of Ontario.

The Amendment having been put was lost on the following Division:—

#### YEAS

Acres	Hepburn	Reynolds
Black	(Prince Edward-Lennox)	Roebuck
Challies	Kennedy	Spence
Drew	Kidd	Stewart
Duckworth	Macaulay	Summerville
Elgie	Murphy	Welsh—18
Frost		

## NAYS

Anderson	Duncan	King
Baker	Elliott	Kirby
Ballantyne	Fletcher	Lamport
Bélanger	Freeborn	Leduc
Bethune	Gallagher	MacGillivray
Bradley	Gardhouse	MacKay
Campbell (Sault Ste. Marie)	Glass	Mercer
Carr	Gordon	McEwing
Conacher	Guthrie	McQuesten
Conant	Habel	Newland
Cooper	Hagey	Nixon (Brant)
Cox	Haines	Nixon (Temiskaming)
Croll	Heenan	
Croome	Hepburn (Elgin)	Patterson
Cross	Hipel	Sinclair
Dewan	Hunter	Smith—48
Dickson		

The Motion then having been submitted was carried on the following Division:—

## YEAS

Anderson	Duncan	King
Baker	Elliott	Kirby
Ballantyne	Fletcher	Lamport
Bélanger	Freeborn	Leduc
Bethune	Gallagher	MacGillivray
Bradley	Gardhouse	MacKay
Campbell (Sault Ste. Marie)	Glass	Mercer
Carr	Gordon	McEwing
Conacher	Guthrie	McQuesten
Conant	Habel	Newland
Cooper	Hagey	Nixon (Brant)
Cox	Haines	Nixon (Temiskaming)
Croll	Heenan	
Croome	Hepburn (Elgin)	Patterson
Cross	Hipel	Sinclair
Dewan	Hunter	Smith—48
Dickson		

## NAYS

Acres	Frost	Reynolds
Black	Hepburn (Prince Edward-Lennox)	Roebuck
Challies		Spence
Downer	Kennedy	Stewart
Drew	Kidd	Summerville
Duckworth	Macaulay	Welsh—19
Elgie	Murphy	



And it was,

*Resolved*, That in the opinion of this House The Canada Temperance Act, Revised Statutes of Canada, 1927, Chapter 196, should be repealed as it applies to the Province of Ontario, and this House accordingly requests the Government forthwith to effect such repeal, and directs that a copy of this resolution be forwarded to the Honourable the Prime Minister of Canada.

The Order of the Day for resuming the Adjourned Debate on the Amendment to the Motion for consideration of the Speech of The Honourable the Lieutenant-Governor at the opening of the Session, having been read,

The Debate was resumed and, after some time, it was on the motion of Mr. Cross,

*Ordered*, That the Debate be adjourned until to-morrow.

The House then adjourned at 5.50 p.m.

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## TUESDAY, MARCH 28TH, 1939

PRAYERS.

3 O'CLOCK P.M.

Mr. Glass, from the Standing Committee on Standing Orders, presented their Third and Final Report which was read as follows and adopted:—

Your Committee has carefully examined the following Petitions and finds the Notices as published in each case sufficient:—

Of the Corporation of the Town of Leaside, praying that an Act may pass authorizing the division of the Town into four wards and to fix the number of the Town Council at seven.

Of the Roman Catholic Episcopal Corporation for the Diocese of Alexandria, praying that an Act may pass to clarify the powers of the Petitioner in regard to borrowing money and dealing in real estate.

Of the Presbyterian Church in Canada, praying that an Act may pass authorizing the formation of a Trustee Board for the purpose of holding the Church property.

Of the Corporation of the Township of Sandwich West, praying that an Act may pass to authorize the Township to levy a minimum tax on unimproved subdivision lots and for other purposes.

Of Aurélien Bélanger, praying that an Act may pass authorizing the Law Society of Upper Canada to admit the Petitioner to the practice of Law in Ontario.

Of the Corporation of the City of London, praying that an Act may pass authorizing the closing of a certain street, validating tax sales and for other purposes.

Of the Women's Christian Association of Belleville, praying that an Act may pass giving the Petitioners authority to borrow money.

Of the Corporation of the Cities of Port Arthur and Fort William, praying that an Act may pass authorizing each of the said Corporations to make a grant or loan of \$5,000.00 to the Canadian Lakehead Exhibition.

Of the Rideau Club of Ottawa, praying that an Act may pass authorizing the Petitioners to borrow, on mortgage security, the sum of \$170,000.00.

Of J. Stanley Lewis, E. A. Bourque, Aristide Bélanger, W. Elwood MacDonald and G. Percy Gordon, praying that an Act may pass for the purpose of incorporating the "City of Ottawa Superannuation Fund."

Of the Corporation of the Township of Etobicoke, praying that an Act may pass conferring on the Township the authority of a City in respect to making assessments and collecting taxes, to provide for the payment of Councillors and for other purposes.

Your Committee recommends that Rule No. 60 of your Honourable House be suspended in this that the time for introducing Private Bills be extended until and inclusive of Monday, the 3rd day of April next.

*Ordered*, That the time for introducing Private Bills be extended until and inclusive of Monday, the 3rd day of April next.

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The following Bills were severally introduced and read the first time:—

Bill (No. 3), intituled, "An Act respecting the Town of Leaside." *Mr. Henry.*

Referred to the Committee on Private Bills.

Bill (No. 8), intituled, "An Act respecting the Roman Catholic Episcopal Corporation for the Diocese of Alexandria." *Mr. MacGillivray.*

Referred to the Committee on Private Bills.

Bill (No. 14), intituled, "An Act respecting the Trustee Board of the Presbyterian Church in Canada." *Mr. Strachan.*

Referred to the Committee on Private Bills.

Bill (No. 16), intituled, "An Act respecting the Township of Sandwich West." *Mr. Trottier.*

Referred to the Committee on Private Bills.

Bill (No. 17), intituled, "An Act to authorize the Law Society of Upper Canada to admit Aurélien Bélanger as a Barrister and Solicitor." *Mr. Bélanger.*

Referred to the Committee on Private Bills.

Bill (No. 18), intituled, "An Act respecting the City of London." *Mr. Duncan.*

Referred to the Committee on Private Bills.

Bill (No. 19), intituled, "An Act respecting the Women's Christian Association of Belleville." *Mr. Arnott.*

Referred to the Committee on Private Bills.

Bill (No. 22), intituled, "An Act respecting the Cities of Port Arthur and Fort William." *Mr. Cox.*

Referred to the Committee on Private Bills.

Bill (No. 23), intituled, "An Act respecting the Rideau Club." *Mr. Dunbar.*

Referred to the Committee on Private Bills.

Bill (No. 24), intituled, "An Act to incorporate the City of Ottawa Superannuation Fund." *Mr. Dunbar.*

Referred to the Committee on Private Bills.

Bill (No. 25), intituled, "An Act respecting the Estate of Margaret Emma Bingham, deceased, and the Toronto General Hospital." *Mr. Lamport.*

Referred to the Commissioners of Estates Bills.

Bill (No. 20), intituled, "An Act respecting the Township of Etobicoke." *Mr. Gardhouse.*

Referred to the Committee on Private Bills.

Bill (No. 13), intituled, "An Act respecting the Township of King." *Mr. Baker.*

Referred to the Committee on Private Bills.

Bill (No. 60), intituled, "An Act to amend The Municipal Act." *Mr. Strachan.*

*Ordered,* That the Bill be read the second time to-morrow.

Mr. Speaker informed the House that the Clerk had received from the Commissioners of Estates Bills their report on Section One of Bill (No. 11), "An Act respecting the City of Toronto."

The Report was then read by the Clerk at the Table, as follows:—

## THE SUPREME COURT OF ONTARIO

Osgoode Hall, Toronto 2,  
March 25th, 1939.

A. C. Lewis, Esq.,  
Clerk, Legislative Assembly,  
Parliament Buildings,  
Toronto.

Dear Sir:—

The "City of Toronto Bill, 1939, Sec. 1"

With reference to your communication enclosing a copy of Bill No. 11, "An Act respecting the City of Toronto, 1939," section 1 of which refers to a parcel of land known as St. Patrick's Market, to be vested in the City of Toronto.

The parcel of land referred to in paragraph 2 of the Bill is a comparatively small parcel on the north side of Queen Street, having a frontage of ninety feet thereon, and extending northerly three hundred feet. This property was conveyed by D'Arcy Boulton on the 8th June, 1837, to the Corporation of the City, by a deed which recites that Boulton, at the instance of a number of the inhabitants of St. Patrick's ward in the City, had consented to convey this parcel to the City for market purposes. The deed contains a stipulation that if at any time thereafter the City of Toronto shall annul the dedication for a market, or if for any other cause it should cease to exist and be used for that purpose, the land shall revert to Boulton, or to his heirs.

In July, 1909, the City having taken proceedings under The Quieting Titles Act, the Referee of Titles determined that the condition causing the property to revert to the Boulton heirs was not operative, and upon appeal the late Sir William Meredith upheld his decision, and a certificate was granted to the City in pursuance of said Act. This certificate we accept as conclusively establishing that the City is the owner of the lands in trust for the use and purpose of establishing, keeping and maintaining a public market for the benefit and advantage of the citizens of Toronto and others resorting thereto, for the public sale of all such articles and things as may be brought to the same, subject, nevertheless, to such rules and regulations as may be by law made and enforced for the due and proper management of any other market established, or hereafter to be established in the City of Toronto.

It is further to be noticed that with reference to a portion of the property conveyed, Boulton was not, at the time of the conveyance, the owner in fee simple, but merely held a leasehold interest by way of mortgage. The certificate of title granted to the City recognizes this right, and is made subject also to the rights of one Nicholas Fennel, his heirs or assigns, in the said town lot Number 11 under indenture of lease by way of mortgage, dated 16th day of May, 1833, made between the said Nicholas Fennel, of the one part, and the said D'Arcy Boulton the Younger, of the other part, for securing the payment of £150 and interest thereon at the rate and payable on the days and times therein mentioned. This lease, it should be mentioned, is a lease for five hundred years, commencing 1833. The rights of Fennel or his heirs are protected by this certificate.



In February, 1911, application was made to the Legislature with reference to the title to this lot, the City then seeking to have it vested in the municipality. The Bill was referred to the Estates Commissioners, and the late Chancellor Sir John A. Boyd and the late Chief Justice of the King's Bench, Sir Glenholme Falconbridge reported to the Legislature, referring to the decision of the Court, 1 O.W.N., p. 92, that the land had been conveyed by a gift to the City by the late D'Arcy Boulton in trust for establishing and maintaining a public market thereon for the benefit of the citizens of Toronto, subject to a proviso that if at any future time the City should apply the same to any other purpose, the said conveyance should become void and the lands revert to the donor. The Court had declared that the condition was void in law as offending against the rule as to perpetuities, and that what was then sought by way of proposed legislation was to get rid of this trust and so to enable the City to use the property for general purposes as public municipal property, and the Commissioners reported that the Bill should not go into law unless and until due consideration had been given to the apparently reasonable claim of the Boulton heirs-at-law for consideration.

No attention seems to have been paid to the reversionary interests outstanding in the heirs of Fennel.

We have secured a copy of a plan prepared by the City surveyor, which we enclose you herewith. From this plan it appears that a large number of cottages front upon this parcel, and we do not think that the City should be given title to the land without notice to the owners of these properties who may have a right of access thereto. Some fifteen buildings in all have, apparently, direct access to this parcel of land.

We therefore report that in our opinion it is not reasonable that section one of the Bill submitted to us should pass into law.

As witness our respective hands.

R. S. ROBERTSON,  
A Commissioner of Estate Bills.

W. E. MIDDLETON,  
A Commissioner of Estate Bills.

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The Order of the Day for resuming the Adjourned Debate on the Amendment to the Motion for consideration of the Speech of The Honourable the Lieutenant-Governor at the opening of the Session, having been read,

The Debate was resumed and, after some time,

Mr. Nixon (Brant) moved, seconded by Mr. Heenan,

That the amendment to the motion for an Address in reply to the Speech from the Throne be amended by substituting the word "and" for the word "but"

in the first line and by amending the balance of the wording so that the amendment shall now read as follows:—

“And this House desires to assure Your Honour of the confidence of the Legislative Assembly and the people of the Province in Your Honour’s Government under the able and courageous leadership of Ontario’s present Prime Minister.”

The Amendment to the Amendment having been put was carried on the following Division:—

## YEAS

Anderson	Dickson	Leduc
Baker	Duncan	Macfie
Ballantyne	Elliott	MacGillivray
Bégin	Fairbank	MacKay
Belanger	Fletcher	Mercer
Bethune	Freeborn	Miller
Blakelock	Gallagher	McEwing
Bradley	Gardhouse	McQuesten
Brownridge	Glass	Newland
Campbell	Gordon	Nixon
(Sault Ste. Marie)	Guthrie	(Brant)
Campbell	Habel	Nixon
(Kent, East)	Hagey	(Temiskaming)
Carr	Haines	Oliver
Cholette	Heenan	Patterson
Conant	Hepburn	Robertson
Cooper	(Elgin)	Roebuck
Cox	Hipel	Sinclair
Croll	Hunter	Smith
Croome	King	Strachan
Cross	Kirby	Trottier—60
Dewan	Lamport	

## NAYS

Acres	Dunbar	Macaulay
Arnott	Elgie	Murphy
Black	Frost	Reynolds
Challies	Henry	Spence
Doucett	Hepburn	Stewart
Downer	(Prince Edward-Lennox)	Summerville
Drew	Kennedy	Welsh—22
Duckworth	Kidd	

The main Motion, as amended, having been submitted, was then carried on the same Division.

And it was,

*Resolved*, That an humble Address be presented to The Honourable the Lieutenant-Governor of the Province of Ontario, as follows:—

*To The Honourable Albert Matthews,  
Lieutenant-Governor of the Province of Ontario.*

We, His Majesty's most dutiful and loyal subjects, the Legislative Assembly of the Province of Ontario, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has addressed to us.

And this House desires to assure Your Honour of the confidence of the Legislative Assembly and the people of the Province in Your Honour's Government under the able and courageous leadership of Ontario's present Prime Minister.

The Address, having been read the second time, was agreed to.

*Ordered*, That the Address be engrossed and presented to The Honourable the Lieutenant-Governor by those Members of this House who are Members of the Executive Council.

---

On motion by Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That this House will, on Thursday next, resolve itself into the Committee of Supply.

---

On motion by Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That this House will, on Thursday next, resolve itself into the Committee of Ways and Means.

---

The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of the Inspector of Legal Offices, Ontario, for the year ending December 31st, 1938. (*Sessional Papers No. 5.*)

---

The House then adjourned at 6.08 p.m.

WEDNESDAY, MARCH 29TH, 1939

PRAYERS.

3 O'CLOCK P.M.

The following Bills were severally introduced and read the first time:—

Bill (No. 61), intituled, "An Act to amend The Companies Act." *Mr. Conant.*

*Ordered,* That the Bill be read the second time to-morrow.

Bill (No. 62), intituled, "An Act to amend The Limitations Act." *Mr. Conant.*

*Ordered,* That the Bill be read the second time to-morrow.

Bill (No. 63), intituled, "An Act to amend The Mortgages Act." *Mr. Conant.*

*Ordered,* That the Bill be read the second time to-morrow.

Bill (No. 64), intituled, "The Collection Agencies Act, 1939." *Mr. Conant.*

*Ordered,* That the Bill be read the second time to-morrow.

Mr. Oliver moved, seconded by Mr. Freeborn,

That in view of the fact that the wheat growers of Ontario have practically lost access to the export market for wheat owing to the preferential rates accorded to Western Canada and United States wheat shipped ex-lake in carload lots as compared with the carload rates on Ontario wheat, namely, approximately 10.34c. per cwt. and 7.08c. per cwt. on Western wheat as compared with 20c. per cwt. on Ontario wheat and as a result a large portion of Ontario wheat crop has to be used for feed and many flour mills in this Province have been forced to discontinue operations, it is the opinion of the Legislative Assembly of Ontario that Ontario wheat, wheat flour and wheat products and other Ontario grains and the products thereof, shipped for export should be accorded freight rates similar to those accorded Western Canada and United States wheat, wheat flour and wheat products moving by rail from Bay ports through Ontario for export, and that this resolution be transmitted to the Transport Board of Canada now considering such an application from Ontario farmers and millers.

And a debate having arisen,

After some time, the motion having been put, was carried by a unanimous vote of the House.

And it was Resolved—That in view of the fact that the wheat growers of



Ontario have practically lost access to the export market for wheat owing to the preferential rates accorded to Western Canada and United States wheat shipped ex-lake in carload lots as compared with the carload rates on Ontario wheat, namely, approximately 10.34c. per cwt. and 7.08c. per cwt. on Western wheat as compared with 20c. per cwt. on Ontario wheat and as a result a large portion of Ontario wheat crop has to be used for feed and many flour mills in this Province have been forced to discontinue operations, it is the opinion of the Legislative Assembly of Ontario that Ontario wheat, wheat flour and wheat products and other Ontario grains and the products thereof shipped for export should be accorded freight rates similar to those accorded Western Canada and United States wheat, wheat flour and wheat products moving by rail from Bay ports through Ontario for export, and that this resolution be transmitted to the Transport Board of Canada now considering such an application from Ontario farmers and millers.

---

On motion of Mr. Leduc, seconded by Mr. Nixon (Brant),

*Ordered*, That this House do forthwith resolve itself into a Committee to consider a certain proposed Resolution respecting taxation of Corporations.

Mr. Nixon (Brant) acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

*(In the Committee)*

*Resolved*—This House approves the terms of an Act intituled, "The Corporations Tax Act, 1939," as presented to the House, which Act provides that every company, including every bank, extra provincial company, insurance company and other incorporated company having its head office, or other office, in Ontario, or which holds assets in Ontario, or which transacts business in Ontario, shall for every fiscal year of such company pay to His Majesty for the uses of Ontario the taxes imposed by the said Act at the time and in the manner therein provided.

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had come to a certain Resolution.

*Ordered*, That the Report be now received.

*Resolved*—This House approves the terms of an Act intituled, "The Corporations Tax Act, 1939," as presented to the House, which Act provides that every company, including every bank, extra provincial company, insurance company and other incorporated company having its head office, or other office, in Ontario, or which holds assets in Ontario, or which transacts business in Ontario, shall for every fiscal year of such company pay to His Majesty for the uses of Ontario the taxes imposed by the said Act at the time and in the manner therein provided.

The Resolution having been read the second time, was agreed to, and referred to the House on Bill No. 54.

---

On motion of Mr. Leduc, seconded by Mr. Nixon (Brant),

*Ordered*, That this House do forthwith resolve itself into a Committee to consider a certain proposed Resolution respecting taxation of the transfer of securities.

Mr. Nixon (Brant), acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

*(In the Committee)*

*Resolved*—This House approves the terms of an Act intituled, "The Security Transfer Act, 1939," as presented to this House, which Act provides that there be imposed, levied, collected and paid to His Majesty for the uses of Ontario a tax

- (a) upon every change of ownership consequent upon the sale, transfer or assignment of a security made or carried into effect in Ontario;
- (b) upon every order given in Ontario for the sale, transfer or assignment of a security when such order is to be executed outside of Ontario;
- (c) upon every transfer or delivery of a security exchanged for another security in Ontario provided that this clause shall not apply where the exchange of securities issued by one company is made for other securities issued by the same company to the same holder; and
- (d) upon every delivery in Ontario of a security held in Ontario for the account of a non-resident of Canada consequent upon the sale, transfer or assignment executed within or without Ontario by or for such non-resident;

of the amount, at the time and in the manner provided by the said Act.

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had come to a certain Resolution.

*Ordered*, That the Report be now received.

*Resolved*—This House approves the terms of an Act intituled, "The Security Transfer Tax Act, 1939," as presented to this House, which Act provides that there be imposed, levied, collected and paid to His Majesty for the uses of Ontario a tax

- (a) upon every change of ownership consequent upon the sale, transfer or assignment of a security made or carried into effect in Ontario;
- (b) upon every order given in Ontario for the sale, transfer or assignment of a security when such order is to be executed outside of Ontario;
- (c) upon every transfer or delivery of a security exchanged for another security in Ontario provided that this clause shall not apply where the exchange of securities issued by one company is made for other securities issued by the same company to the same holder; and
- (d) upon every delivery in Ontario of a security held in Ontario for the account of a non-resident of Canada consequent upon the sale, transfer or assignment executed within or without Ontario by or for such non-resident;

of the amount, at the time and in the manner provided by the said Act.

The Resolution having been read the second time, was agreed to, and referred to the House on Bill No. 55.

---

On motion of Mr. Leduc, seconded by Mr. Nixon (Brant),

*Ordered*, That this House do forthwith resolve itself into a Committee to consider a certain proposed Resolution respecting taxation of race tracks and race meetings.

Mr. Nixon (Brant), acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

*(In the Committee)*

*Resolved* — This House approves of the terms of an Act intituled, "The Race Tracks Tax Act, 1939," as presented to the House, which Act provides that every person owning or operating or using a race track, and holding a race meeting, and every holder of a winning ticket issued under the pari-mutuel system upon a race track at a race meeting, shall pay to His Majesty for the uses of Ontario, the taxes imposed by the said Act at the time and in the manner therein provided.

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had come to a certain Resolution.

*Ordered*, That the Report be now received.

*Resolved* — This House approves of the terms of an Act intituled, "The Race Tracks Tax Act, 1939," as presented to the House, which Act provides that every person owning or operating or using a race track, and holding a race

meeting, and every holder of a winning ticket issued under the pari-mutuel system upon a race track at a race meeting, shall pay to His Majesty for the uses of Ontario, the taxes imposed by the said Act at the time and in the manner therein provided.

The Resolution having been read the second time, was agreed to, and referred to the House on Bill No. 56.

---

The following Bills were severally read the second time:—

Bill (No. 50), An Act to amend The Assessment Act.

Referred to the Committee on Municipal Law.

Bill (No. 51), An Act to amend The Optometry Act.

Referred to the Committee on Legal Bills.

Bill (No. 57), An Act to amend The Assessment Act.

Referred to the Committee on Municipal Law.

Bill (No. 53), An Act to amend The Sanatoria for Consumptives Act.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 54), The Corporations Tax Act, 1939.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 55), The Security Transfer Tax Act, 1939.

Referred to a Committee of the Whole House to-morrow.

---

The Order of the Day for the second reading of Bill (No. 56), The Race Tracks Tax Act, 1939, having been read, and a Debate arising, after some time it was on the motion of Mr. Leduc,

*Ordered*, That the Debate be adjourned.

---

The Order of the Day for the second reading of Bill (No. 58), An Act to amend The Highway Traffic Act, having been read,

*Ordered*, That the Order be discharged, and that the Bill be withdrawn.

---

The Order of the Day for the second reading of Bill (No. 46), An Act respecting the Co-ordination of Police Service, having been read,

*Ordered*, That the Order be discharged, and that the Bill be withdrawn.



The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of the Department of Public Works, Ontario, for year ending 31st March, 1938. (*Sessional Papers No. 8.*)

The House then adjourned at 5.50 p.m.

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## THURSDAY, MARCH 30TH, 1939

PRAYERS.

3 O'CLOCK P.M.

Mr. Croll, from the Standing Committee on Private Bills, presented their First Report which was read as follows and adopted:

Your Committee beg to report the following Bills without amendment:

Bill (No. 1), An Act respecting the Township of Nepean. "

Bill (No. 6), An Act respecting the City of Port Arthur.

Bill (No. 7), An Act respecting the Town of Waterloo.

Bill (No. 15), An Act respecting the Town of Trout Creek.

Your Committee beg to report the following Bill with certain amendments:—

Bill (No. 12), An Act respecting the Township of Barton.

---

Mr. Speaker informed the House that the Clerk had received from the Clerk of the Privy Council of Canada acknowledgements of the receipt of certified copies of the resolution adopted by this House on Thursday, the 23rd Instant, petitioning the Federal Government to enact legislation to mobilize the wealth and man power of Canada in the event of a War emergency, and the resolution adopted by this House on Monday, the 27th Instant, petitioning the Federal Government to repeal the Canada Temperance Act so far as it applies to the Province of Ontario.

The acknowledgements were then read by the Clerk at the Table, as follows:

### OFFICE OF THE CLERK OF THE PRIVY COUNCIL

Major Alex. C. Lewis,  
Clerk, Legislative Assembly,  
Toronto, Ontario.

Ottawa, 29th March, 1939

Sir,

I have the honour, by direction of the Right Honourable the Prime Minister, to acknowledge the receipt of your letter of the 25th instant, transmitting a copy of a Resolution of the Legislative Assembly of Ontario, which was passed by the unanimous vote of the House on Thursday, the twenty-third instant, asking the Federal Parliament of Canada to pass legislation to mobilize the

wealth and man power of Canada in the event of War, and to inform you that the Resolution in question will immediately be brought to the attention of Council.

I have the honour to be, Sir,  
Your obedient servant,

E. J. LEMAIRE,  
*Clerk of the Privy Council.*

## OFFICE OF THE CLERK OF THE PRIVY COUNCIL

Major Alex. C. Lewis,  
*Clerk, Legislative Assembly,  
Toronto, Ontario.*

Ottawa, 29th March, 1939

Sir,

I have the honour, by direction of the Right Honourable the Prime Minister, to acknowledge the receipt of your letter of the 28th instant, transmitting a Resolution of the Legislative Assembly of Ontario, passed by the House on Monday, the Twenty-seventh, instant, to the effect that The Canada Temperance Act, Revised Statutes of Canada, 1927, Chapter 196, should be repealed as it applies to the Province of Ontario, and to inform you that this Resolution will be immediately brought to the attention of Council.

I have the honour to be, Sir,  
Your obedient servant,

E. J. LEMAIRE,  
*Clerk of the Privy Council.*

Mr. Hepburn delivered to Mr. Speaker a message from The Lieutenant-Governor, signed by himself; and the said message was read by Mr. Speaker, and is as follows:—

### ALBERT MATTHEWS

The Lieutenant-Governor transmits Estimates of certain sums required for the service of the Province for the year ending 31st March, 1940, and recommends them to the Legislative Assembly.

Toronto, March 30th, 1939.

*(Sessional Papers No. 2.)*

*Ordered*, That the message of The Lieutenant-Governor, together with the Estimates accompanying the same, be referred to the Committee of Supply.

The Order of the Day for the House to resolve itself into the Committee of Supply having been read,

Mr. Hepburn moved,

That Mr. Speaker do now leave the Chair and that the House do resolve itself into the Committee of Supply.

And a Debate having ensued, it was, on the motion of Mr. Frost,

*Ordered*, That the Debate be adjourned until Tuesday next.

During the course of his presentation of the Budget the Prime Minister and Provincial Treasurer laid on the Table the following statements:—

# INTERIM STATEMENT OF GROSS ORDINARY REVENUE

FISCAL YEAR APRIL 1ST, 1938—MARCH 31ST, 1939

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Detail	Gross Ordinary Revenue
1—AGRICULTURE.....		\$ 343,094.00
2—ATTORNEY-GENERAL.....		1,037,693.00
3—EDUCATION.....		139,782.00
4—GAME AND FISHERIES.....		902,861.00
5—HEALTH:		
Main Office and Branches.....	\$ 71,825.00	
Hospitals Branch.....	1,345,544.00	1,417,369.00
6—HIGHWAYS:		
Main Office.....	9,339.00	
Gasoline Tax.....	18,516,000.00	
Permits, Gas Pumps, etc.....	88,000.00	
Motor Vehicles Branch.....	8,132,000.00	26,745,339.00
7—INSURANCE.....		235,972.00
8—LABOUR.....		127,646.00
9—LANDS AND FORESTS:		
Lands Branch.....	686,921.00	
Forests Branch.....	3,854,229.00	4,541,150.00
10—LEGISLATION.....		15,011.00
11—MINES.....		3,092,740.00
12—MUNICIPAL AFFAIRS:		
Main Office.....	6,963.00	
Municipal Board.....	4,298.00	
Housing Branch.....	97,038.00	108,299.00
13—PRIME MINISTER.....		17,843.00
14—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	404,675.00	
Reformatories and Prisons Branch.....	942,124.00	1,346,799.00
15—PROVINCIAL TREASURER:		
Main Office—Subsidy.....	2,941,424.00	
Interest.....	72,835.00	
Liquor Control Board.....	10,500,000.00	
Controller of Revenue Branch:		
Succession Duty.....	15,000,000.00	
Corporation Tax.....	9,535,525.00	
Income Tax.....	6,884,769.00	
Stock Transfer Tax.....	693,275.00	
Land Transfer Tax.....	225,729.00	
Law Stamps.....	400,804.00	
Motion Picture Censorship and Theatre Inspection.....	204,639.00	
Savings Office.....	286,640.00	46,745,640.00
16—PUBLIC WORKS.....		48,823.00
PUBLIC DEBT—Interest.....		\$86,866,061.00
		9,191,727.00
		\$96,057,788.00

SUMMARY

Gross Ordinary Revenue.....	\$96,057,788.00
Less: Gross Ordinary Expenditure (before providing for Unemployment Direct Relief, Provision for Sinking Funds and Maturing Railway Aid Certificates.....	84,936,038.09
Surplus: (before providing for Unemployment Direct Relief, Provision for Sinking Fund, and Maturing Railway Aid Certificates.....	11,121,749.91
Less: Unemployment Direct Relief and Administration thereof.....	\$9,804,555.00
Provision for Sinking Fund.....	992,655.27
Maturing Railway Aid Certificates.....	88,501.64
	10,885,711.91
Interim Surplus.....	\$ 236,038.00

INTERIM STATEMENT OF GROSS ORDINARY EXPENDITURE

FISCAL YEAR APRIL 1ST, 1938—MARCH 31st, 1939

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Detail	Gross Ordinary Expenditure
1—AGRICULTURE.....		\$ 2,170,172.00
2—ATTORNEY-GENERAL.....		2,814,478.00
3—EDUCATION.....		12,732,136.00
4—GAME AND FISHERIES.....		567,163.00
5—HEALTH:		
Main Office and Branches.....	\$ 999,989.00	
Hospitals Branch.....	8,329,109.00	9,329,098.00
6—HIGHWAYS.....		8,152,885.00
7—INSURANCE.....		66,575.00
8—LABOUR.....		629,491.00
9—LANDS AND FORESTS:		
Lands Branch.....	219,952.00	
Forests Branch.....	1,996,831.00	2,216,783.00
10—LEGISLATION.....		272,998.00
11—LIEUTENANT-GOVERNOR.....		9,500.00
12—MINES.....		382,542.00
13—MUNICIPAL AFFAIRS.....		3,282,556.00
14—PRIME MINISTER.....		175,129.00
15—PROVINCIAL AUDITOR.....		114,700.00
16—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	123,536.00	
Reformatories and Prisons Branch.....	2,162,893.00	2,286,429.00
17—PROVINCIAL TREASURER:		
Main Office.....	543,068.00	
Budget Committee Office.....	10,687.00	
Controller of Revenue Branch.....	474,248.00	
Motion Picture Censorship and Theatre Inspection Branch.....	34,409.00	
Post Office.....	146,233.00	
Savings Office.....	286,640.00	1,495,285.00



DEPARTMENT	Detail	Gross Ordinary Expenditure
18—PUBLIC WELFARE:		
Main Office and Branches.....	\$ 392,820.00	
Old Age Pensions Commission.....	3,387,850.00	
Mothers' Allowance Commission.....	5,152,362.00	\$ 8,933,032.00
19—PUBLIC WORKS.....		825,609.00
MISCELLANEOUS.....		17,926.00
STATIONERY ACCOUNT.....		35,341.00
		\$56,509,828.00
PUBLIC DEBT—Interest, Exchange, etc.....		29,507,367.00
		\$86,017,195.00
ADD: Unemployment Direct Relief and Administration thereof.....		9,804,555.00
		\$95,821,750.00

## INTERIM STATEMENT OF GROSS CAPITAL RECEIPTS

FISCAL YEAR APRIL 1ST, 1938—MARCH 31ST, 1939'

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	GROSS CAPITAL RECEIPTS		
	Works and Resources	Loan Repayments	Trust Fund Deposits
AGRICULTURE.....	\$ .....	\$ 33,734.00	\$ 7,000.00
HIGHWAYS.....	50,272.00	.....	.....
LANDS AND FORESTS:			
Lands Branch.....	54,851.00	.....	.....
Forests Branch.....	3,999.00	.....	.....
MINES.....	58,189.00	.....	.....
MUNICIPAL AFFAIRS.....	.....	266,724.00	.....
PRIME MINISTER:			
Public Service Superannuation Fund.....	.....	.....	1,374,916.00
PROVINCIAL TREASURER:			
Main Office.....	.....	2,653,632.00	232,189.00
Hydro-Electric Power Commission.....	.....	1,824,814.00	.....
PUBLIC WELFARE:			
Old Age and Blind Pensions Commission....	.....	9,949,940.00	.....
Mothers' Allowances Commission.....	.....	41,104.00	.....
PUBLIC WORKS.....	15,422.00	.....	.....
	\$ 182,733.00	\$14,769,948.00	\$1,614,105.00

## SUMMARY

Works and Resources.....	\$ 182,733.00
Loan Repayments.....	14,769,948.00
Trust Fund Deposits.....	1,614,105.00
	\$16,566,786.00

## INTERIM STATEMENT OF GROSS CAPITAL PAYMENTS

FISCAL YEAR APRIL 1ST, 1938—MARCH 21ST, 1939

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	GROSS CAPITAL PAYMENTS		
	Works and Resources	Loan Advances	Trust Fund Repayments
AGRICULTURE.....	\$ .....	\$ 5,000.00	.....
EDUCATION.....	65,638.00	.....	.....
GAME AND FISHERIES.....	15,000.00	.....	.....
HIGHWAYS.....	35,185,810.00	.....	.....
LANDS AND FORESTS:			
Lands Branch.....	61,577.00	.....	.....
Forests Branch.....	326,458.00	.....	.....
PRIME MINISTER:			
Public Service Superannuation Fund.....	.....	.....	\$ 784,491.00
PROVINCIAL TREASURER:			
Main Office.....	.....	638,050.00	211,080.00
Hydro-Electric Power Commission.....	3,030,000.00	65,000.00	.....
PUBLIC WELFARE:			
Main Office.....	.....	.....	25,000.00
Dominion Government:			
Old Age and Blind Pensions.....	.....	9,900,309 00	.....
PUBLIC WORKS.....	5,455,772.00	.....	.....
	<u>\$44,140,255.00</u>	<u>\$10,608,359.00</u>	<u>\$1,020,571.00</u>

## SUMMARY

Works and Resources.....	\$44,140,255.00
Loan Advances.....	10,608,359.00
Trust Fund Repayments.....	1,020,571.00
	<u>\$55,769,185.00</u>

STATEMENT OF CAPITAL EXPENDITURES WHICH CORRESPONDINGLY INCREASE THE CAPITAL ASSETS OF  
THE PROVINCE FOR THE PERIOD FROM NOVEMBER 1ST, 1934, TO MARCH 31ST, 1939

	5 months ended	YEAR ENDED					Total
		Mar. 31, 1935	Mar. 31, 1936	Mar. 31, 1937	Mar. 31, 1938	Mar. 31, 1939 (Estimated)	
AGRICULTURE:							
Purchase of land, erection of buildings, etc.	.....	.....	.....	.....	\$ 58,978.98	.....	\$ 58,978.98
EDUCATION:							
University of Toronto.....	.....	.....	\$ 65,638.43	\$ 65,638.43	65,638.43	\$ 65,638.00	262,553.29
GAME AND FISHERIES:							
Erecting Ponds, Buildings and Dams, Purchase of Land, Buildings, Boats, Machinery and Equip- ment.....	.....	.....	16,139.83	27,097.38	50,554.53	15,000.00	109,691.74
HEALTH:							
Radium Emanation Plant, etc., and Purchase of Radium.....	\$ 39,567.29	167,035.51	6,559.42	.....	.....	.....	213,162.22
HIGHWAYS:							
Road Construction and Northern Ontario Roads.....	11,506,386.39	15,658,944.61	9,459,983.21	34,622,186.12	35,185,810.00	106,433,310.33	
LANDS AND FORESTS:							
Reforestation, Surveys, Clearing Townsites, Equip- ment, etc.....	97,656.24	290,430.05	415,494.35	312,952.89	388,035.00	1,504,568.53	
PROVINCIAL SECRETARY:							
Additions and Alterations, Guelph and Burwash.....	.....	.....	74,321.92	65,422.62	.....	.....	139,744.54
PUBLIC WORKS:							
Construction of New Buildings, Roads, Bridges, etc..	335,466.79	263,039.57	219,574.55	2,015,118.07	5,455,772.00	8,288,970.98	
PUBLIC WELFARE:							
Retire Bonded Indebtedness, Alexander Industrial School.....	.....	20,000.00	.....	.....	.....	.....	20,000.00
HYDRO-ELECTRIC POWER COMMISSION:							
Bonuses, Rural Transmission Lines.....	120,000.00	305,000.00	1,000,000.60	1,770,000.00	3,030,000.00	6,225,000.00	
MISCELLANEOUS.....	.....	211.84	.....	1,857.38	.....	.....	2,069.22
	\$12,099,076.71	\$16,786,439.84	\$11,269,569.26	\$38,962,709.02	\$44,140,255.00	\$123,258,049.83	

## THE FUNDED DEBT OF ONTARIO

Detail Summary of Estimated Changes in Funded Debt  
for the Fiscal Year ending March 31st, 1939

As at March 31st, 1938 (after deducting Sinking Funds).....		\$575,672,701.72
ADD—Sale of Debentures:		
TI—4¾% Teachers' and Inspectors' Superannuation Fund due November 1st, 1942.....	\$ 1,300,000.00	
BJ—3% due November 1st, 1947/50.....	15,000,000.00	
RG—3% due December 15th, 1945/49.....	16,500,000.00	32,800,000.00
		<u>\$608,472,701.72</u>
LESS—Redemptions:		
At Maturity—		
May 15th, 1938—AL—4%.....	\$ 464,060.00	
May 15th, 1938—AP—4½%.....	406,000.00	
June 1st, 1938—AX—4%.....	2,000,000.00	
June 1st, 1938—AS—4%.....	399,000.00	
August 30th, 1938—BD—2½%.....	4,500,000.00	
November 1st, 1938—AK—4½%.....	800,000.00	
December 1st, 1938—AH—4½%.....	700,000.00	
January 15th, 1939—AJ—4½%.....	800,000.00	
January 15th, 1939—AR—4½%.....	353,000.00	
	<u>\$10,422,000.00</u>	
Prior to Maturity, for Cancellation (Succession Duty Free).....	56,600.00	
	<u>\$10,478,600.00</u>	
Annuities.....	1,875.00	
Railway Aid Certificates.....	88,501.54	
Sinking Fund Provisions—Current Year.....	1,019,093.44	11,588,069.98
Estimated as at March 31st, 1939 (after deducting Sinking Funds).....		<u>\$596,884,631.74</u>
Total New Issues.....	\$32,800,000.00	
Total Redemptions.....	11,588,069.98	
Net Increase.....	<u>\$21,211,930.02</u>	

SCHEDULE OF INDIRECT LIABILITIES AND GUARANTEES  
OF THE PROVINCE OF ONTARIO

As at January 31st, 1939

Total—as per Public Accounts—March 31st, 1938.....	\$137,308,097.11
ADD—Sinking Fund Deposits as at March 31st, 1938.....	\$120,338.31
LESS—Coupons matured and outstanding as at March 31st, 1938.....	20,835.23
	<u>99,503.08</u>
Gross Principal Unmatured and Outstanding as at March 31st, 1938.....	<u>\$137,407,600.19</u>
LESS—Principal Maturities redeemed during period from April 1st, 1938, to January 31st, 1939:	

By PROVINCE OF ONTARIO

Housing.....	\$ 38,822.18
Municipal.....	2,668.07
Schools.....	13,576.67
	<u>\$ 55,066.92</u>



# SCHEDULE OF INDIRECT LIABILITIES AND GUARANTEES OF THE PROVINCE OF ONTARIO

As at January 31st, 1939

BY MUNICIPALITIES, ETC.

Co-Operative Associations.....	\$ 69,023.65	
Housing.....	107,558.91	
Municipalities.....	50,271.13	
Park Commissions.....	1,179,822.92	
Power Commissions.....	4,000,000.00	
Railways.....	525,000.00	
Schools.....	158,437.55	
Universities.....	85,503.89	
	<u>\$ 6,037,570.75</u>	\$ 6,092,637.67
		<u>\$131,314,962.52</u>
ADD—New Guarantees for period from April 1st, 1938, to January 31st, 1939:		
Park Commissions.....	\$ 2,500,000.00	
Power Commissions.....	12,500,000.00	15,000,000.00
Gross Principal Unmatured and Outstanding as at January 31st, 1939.....		\$146,314,962.52
LESS—Sinking Fund Deposits as at January 31st, 1939.....	\$ 142,904.50	
ADD—Coupons Matured and Outstanding as at January 31st, 1939.....	19,281.92	123,622.58
Net Liability of the Province as at January 31st, 1939.....		<u>\$146,191,339.94</u>

## BUDGET FORECAST OF ORDINARY REVENUE

FISCAL YEAR APRIL 1ST, 1939—MARCH 31ST, 1940

DEPARTMENT	Detail	Gross Ordinary Revenue	Application of Revenue to Expenditure	Detail	Net Ordinary Revenue
1—AGRICULTURE.....		\$ 339,035.00	\$ 338,903.00		\$ 132.00
2—ATTORNEY-GENERAL:					
Main Office and Branches.....	\$ 932,234.60		138,914.60	\$ 793,320.00	
Securities Commission.....	100,000.00	1,032,234.60		100,000.00	893,320.00
3—EDUCATION.....		140,000.00	139,000.00		1,000.00
4—GAME AND FISHERIES.....		880,000.00	500.00		879,500.00
5—HEALTH:					
Main Office and Branches.....	59,138.00		10,438.00	48,700.00	
Hospitals Branch.....	1,509,700.00	1,568,838.00	1,509,200.00	500.00	49,200.00
6—HIGHWAYS:					
Main Office and Branches.....	10,000.00			10,000.00	
Gasoline Tax Branch.....	25,000,000.00			25,000,000.00	
Miscellaneous Permits Branch.....	90,000.00			90,000.00	
Motor Vehicles Branch.....	9,200,000.00	34,300,000.00		9,200,000.00	34,300,000.00
7—INSURANCE.....		230,000.00			230,000.00
8—LABOUR.....		140,525.00	139,750.00		775.00
9—LANDS AND FORESTS:					
Lands Branch.....	650,000.00		13,693.60	636,306.40	
Forests Branch.....	2,476,500.00	3,126,500.00	492,750.00	1,983,750.00	2,620,056.40
10—LEGISLATION.....		14,500.00	7,500.00		7,000.00
11—MINES.....		2,600,000.00	5,000.00		2,595,000.00
12—MUNICIPAL AFFAIRS:					
Main Office and Municipal Board.....	10,800.00		10,800.00		
Housing Branch.....	35,000.00	45,800.00	35,000.00		
13—PRIME MINISTER:					
King's Printer—Ontario Gazette		20,000.00			20,000.00

DEPARTMENT	Detail	Gross Ordinary Revenue	Application of Revenue to Expenditure	Detail	Net Ordinary Revenue
14—PROVINCIAL SECRETARY:					
Main Office and Registrar- General's Branch.....	\$ 368,000.00		\$ 5,000.00	\$ 363,000.00	
Reformatories and Prisons Branch.....	914,000.00	1,282,000.00	914,000.00		\$ 363,000.00
15—PROVINCIAL TREASURER:					
Main Office—Subsidy.....	2,941,424.00			2,941,424.00	
Interest.....	73,000.00			73,000.00	
Liquor Control Board.....	10,750,000.00			10,750,000.00	
Controller of Revenue Branch:					
Succession Duty.....	17,000,000.00			17,000,000.00	
Corporations Tax.....	10,000,000.00			10,000,000.00	
Income Tax.....	6,000,000.00			6,000,000.00	
Stock Transfer Tax.....	700,000.00			700,000.00	
Land Transfer Tax.....	250,000.00			250,000.00	
Law Stamps.....	400,000.00			400,000.00	
Motion Picture Censorship and Theatre Inspection Branch..	185,000.00			185,000.00	
Savings Office.....	279,806.77	48,579,230.77	279,806.77		48,299,424.00
16—PUBLIC WORKS.....		47,255.00	43,680.00		3,575.00
MISCELLANEOUS.....		100,000.00	100,000.00		
		94,445,918.37	4,183,935.97		90,261,982.40
PUBLIC DEBT—INTEREST.		9,060,992.24	9,060,992.24		
TOTAL.....		\$103,506,910.61	\$13,244,928.21		\$90,261,982.40

SUMMARY

Net Ordinary Revenue.....	\$90,261,982.40
Net Ordinary Expenditure (not including Unemployment Relief).....	80,291,110.23
EXCESS OF ORDINARY REVENUE OVER ORDINARY EXPENDITURE	\$ 9,970,872.17
Estimated Net Expenditure on account of Unemployment Direct Relief and administration thereof.....	9,820,000.00
SURPLUS FORECAST.....	\$ 150,872.17

BUDGET FORECAST OF ORDINARY EXPENDITURE

FISCAL YEAR APRIL 1ST, 1939—MARCH 31ST, 1940

DEPARTMENT	Detail	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Detail	Net Ordinary Expenditure
1—AGRICULTURE.....		\$ 2,284,456.25	\$ 326,903.00		\$ 1,957,553.25
2—ATTORNEY-GENERAL:					
Main Office and Branches.....	\$ 2,632,049.60		138,914.60	\$ 2,493,135.00	
Securities Commission.....	74,527.50	2,706,577.10		74,527.50	2,567,662.50
3—EDUCATION.....		12,923,986.00	139,000.00		12,784,986.00
4—GAME AND FISHERIES.....		646,250.00	500.00		645,750.00
5—HEALTH:					
Main Office and Branches.....	1,187,920.00		10,438.00	1,177,482.00	
Hospitals Branch.....	10,202,030.00	11,389,950.00	1,509,200.00	8,692,830.00	9,870,312.00
6—HIGHWAYS:					
Main Office and Branches.....	10,277,500.00			10,277,500.00	
Motor Vehicles Branch.....	405,000.00	10,682,500.00		405,000.00	10,682,500.00
7—INSURANCE.....		67,100.00			67,100.00
8—LABOUR.....		649,816.55	139,750.00		510,066.55
9—LANDS AND FORESTS:					
Lands Branch.....	235,175.00			235,175.00	
Forests Branch.....	2,081,645.00	2,310,820.00	492,750.00	1,588,895.00	1,824,070.00
10—LEGISLATION.....		273,575.00	7,500.00		266,075.00
11—LIEUTENANT-GOVERNOR..		10,000.00			10,000.00
12—MINES.....		433,550.00	5,000.00		428,550.00

DEPARTMENT	Detail	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Detail	Net Ordinary Expenditure
13—MUNICIPAL AFFAIRS:					
Main Office and Municipal Board.....	\$ 127,850.00		\$ 10,800.00	\$ 117,050.00	
Subsidy—1½ Mill— To cities, towns, incorporated villages and townships.....	4,450,000.00			4,450,000.00	
Grant—To City of Toronto—Municipal Air Port....	100,000.00	4,677,850.00		100,000.00	\$ 4,667,050.00
14—PRIME MINISTER.....		173,415.00			173,415.00
15—PROVINCIAL AUDITOR.....		119,500.00			119,500.00
16—PROVINCIAL SECRETARY:					
Main Office and Registrar-General's Branch.....	121,480.00		5,000.00	116,480.00	
Reformatories and Prisons Branch.....	1,923,525.00	2,045,005.00	914,000.00	1,009,525.00	1,126,005.00
17—PROVINCIAL TREASURER:					
Main Office.....	547,840.00			547,840.00	
Budget Committee Office.....	10,735.00			10,735.00	
Controller of Revenue Branch.....	472,860.00			472,860.00	
Motion Picture Censorship and Theatre Inspection Branch..	38,675.00			38,675.00	
Post Office.....	149,315.00			149,315.00	
Savings Office.....	279,806.77	1,499,231.77	279,806.77		1,219,425.00
18—PUBLIC WELFARE:					
Main Office and Branches.....	399,100.00			399,100.00	
Old Age Pensions Commission.....	3,552,500.00			3,552,500.00	
Mothers' Allowances Commission.....	5,307,700.00	9,259,300.00		5,307,700.00	9,259,300.00
19—PUBLIC WORKS.....		811,300.00	43,680.00		767,620.00
MISCELLANEOUS.....		104,400.00	100,000.00		4,400.00
		\$63,074,582.67	\$ 4,123,242.37		\$58,951,340.30
			11,000.00		
			13,693.60		
			35,000.00		
PUBLIC DEBT—Interest, Exchange, etc.....	30,461,455.77	9,060,992.24			21,339,769.93
TOTAL.....		\$93,536,038.44	\$13,244,928.21		\$80,291,110.23
ADD: Estimated Net Expenditure on account of Unemployment Direct Relief and the Administration thereof.....		9,820,000.00			9,820,000.00
GRAND TOTAL.....		\$103,356,038.44	\$13,244,928.21		\$90,111,110.23

## BUDGET FORECAST OF CAPITAL RECEIPTS

FISCAL YEAR APRIL 1ST, 1939—MARCH 31ST, 1940

DEPARTMENT	CAPITAL RECEIPTS		
	Works and Resources	Loan Repayments	Trust Fund Deposits
AGRICULTURE.....		\$ 38,000.00	
HIGHWAYS.....	\$ 10,000.00		
LANDS AND FORESTS:			
Lands Branch.....	45,300.00		
Forests Branch.....	4,700.00		
MINES.....	50,000.00		
MUNICIPAL AFFAIRS.....		83,000.00	

## CAPITAL RECEIPTS

DEPARTMENT	Works and Resources	Loan Repayments	Trust Fund Deposits
PRIME MINISTER:			
Public Service Superannuation Fund.....			\$1,405,000.00
PROVINCIAL TREASURER:			
Main Office.....		3,599,754.88	181,983.18
Hydro-Electric Power Commission.....		2,562,310.95	
PUBLIC WELFARE:			
Dominion Government—			
Old Age Pensions Commission.....		10,170,000.00	
Blind Pensions.....		210,600.00	
PUBLIC WORKS.....	150.00		
	\$ 110,150.00	\$16,663,665.83	\$1,586,983.18

## SUMMARY

Works and Resources.....	\$ 110,150.00
Loan Repayments.....	16,663,665.83
Trust Fund Deposits.....	1,586,983.18
	<u>\$18,360,799.01</u>

## BUDGET FORECAST OF CAPITAL PAYMENTS

FISCAL YEAR APRIL 1ST, 1939—MARCH 31ST, 1940

## CAPITAL PAYMENTS

DEPARTMENT	Works and Resources	Loan Advances	Trust Fund Repayments
AGRICULTURE.....		\$ 25,000.00	
EDUCATION.....	\$ 65,638.43		
GAME AND FISHERIES.....	35,000.00		
HIGHWAYS.....	15,200,000.00		
LANDS AND FORESTS:			
Lands Branch.....	138,000.00		
Forests Branch.....	328,600.00		
PRIME MINISTER:			
Public Service Superannuation Fund.....			\$ 850,000.00
PROVINCIAL TREASURER:			
Main Office.....		1,462,744.60	357,750.33
Hydro-Electric Power Commission.....	2,500,000.00	50,000.00	
PUBLIC WELFARE:			
Dominion Government:			
Old Age Pensions Commission.....		10,170,000.00	
Blind Pensions.....		210,600.00	
PUBLIC WORKS.....	4,762,000.00		
	\$23,029,238.43	\$11,918,344.60	\$1,207,750.33



## SUMMARY

Works and Resources.....	\$23,029,238.43
Loan Advances.....	11,918,344.60
Trust Fund Repayments.....	1,207,750.33
	<u>\$36,155,333.36</u>

The following Bill was introduced and read the first time:—

Bill (No. 65), intituled, "An Act to amend The Gasoline Tax Act." *Mr. Hepburn* (Elgin).

*Ordered*, That the Bill be read the second time to-morrow.

On motion by Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That the Provincial Auditor be and is hereby authorized to pay the salaries of the Civil Service employees and other necessary payments following the close of the present fiscal year on March 31st, 1939, and until Supply for the ensuing fiscal year is voted by this House, such payments to be charged to the proper appropriations following the voting of Supply.

Mr. Challies asked the following Question (No. 15):—

1. What was the total amount received by the Government from Annual Returns under The Companies Information Act for the years 1935 to 1938 inclusive. 2. Returns showing amount paid to the Treasury Department under The Corporations Tax Act for ordinary incorporated Companies. Classify, if possible, for the years 1933 to 1938 inclusive.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

1. Total amount received from Annual Returns under The Companies Information Act:

*Fiscal year ended March 31st, 1935 (5 months period).....	\$ 7,290.82
“ “ “ “ 31st, 1936.....	27,525.75
“ “ “ “ 31st, 1937.....	47,907.60
“ “ “ “ 31st, 1938.....	45,190.73

2. Amounts received under The Corporations Tax Act from Ordinary Incorporated Companies:

Fiscal year ended Oct.	31st, 1933	.....	\$2,518,192.81
" " " "	31st, 1934	.....	2,420,433.93
" " " March	31st, 1935 (5 months period)	.....	115,222.10
" " " "	31st, 1936	.....	3,332,451.72
" " " "	31st, 1937	.....	5,136,722.23
" " " "	31st, 1938	.....	4,659,549.08

\*This period does not cover a date when Annual Returns were due.

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The House then adjourned at 5.10 p.m.

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FRIDAY, MARCH 31st, 1939

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PRAYERS.

3 O'CLOCK P.M.

The following Bill was introduced and read the first time:—

Bill (No. 66), intituled, "An Act to amend The Municipal Act." *Mr. Elliott.*

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Mr. Speaker informed the House that the Clerk had received from the Chief Commissioner of the Board of Transport Commissioners for Canada an acknowledgment of receipt of the resolution of this House adopted on Wednesday, the 19th Instant, urging that Ontario grain shipped for export be granted freight rates similar to those accorded to Western Canada and United States wheat.

The acknowledgment was then read by the Clerk at the Table as follows:—

BOARD OF TRANSPORT COMMISSIONERS  
FOR CANADA

Ottawa, March 30th, 1939.

Dear Sir:—

I beg to acknowledge receipt of your telegram of the 29th instant, which was telephoned to my house last night at 6.30 p.m., and which I received in my office this morning. I note the copy of the Resolution passed by the Legislative Assembly which, although dated 27th March, 1939, was evidently passed yesterday afternoon. This Resolution deals with the question of freight rates upon Ontario export wheat.

The application made to this Board in respect of the above question was heard at Toronto on February 21st and 22nd last, and was concluded at Ottawa

yesterday at 4.00 p.m. The Board of Transport Commissioners will now give full consideration to the evidence submitted upon the hearing and to the arguments of counsel concluded yesterday. Full consideration will also be given to the Resolution passed by the Legislative Assembly of the Province of Ontario as set out in your telegram.

Yours truly,

H. GUTHRIE.

ALEX. C. LEWIS, Esq.,  
Clerk, Legislative Assembly of Ontario,  
Toronto, Ontario.

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Mr. Challies asked the following Question (No. 8):—

1. What was the total advance made by the Province to the Hydro-Electric Power Commission as of October 31st, 1933, 1934, 1938. 2. What was the total advance made by the Hydro-Electric Power Commission to the Province on behalf of the Northern Ontario properties 1934, 1935, 1936, 1937, 1938?

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

1. Advances from Province: 1933, \$187,964,549.41; 1934, \$187,829,243.28; 1938, \$148,714,776.93. 2. Of the above total advances, the following amounts are the advances to the Northern Ontario Properties as at each year end, October 31st: 1934, \$8,272,889.39; 1935, \$8,198,887.40; 1936, \$7,168,053.63; 1937, \$6,531,407.42; 1938, \$6,370,637.25.

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On motion of Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That this House do forthwith resolve itself into a Committee to consider a certain proposed Resolution respecting the increase of the gasoline tax to 8 cents per Imperial gallon.

Mr. Hepburn acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

*(In the Committee)*

*Resolved*, Every purchaser of gasoline shall pay to the Minister of Highways for the use of His Majesty in right of the Province of Ontario a charge or tax at the rate of eight (8) cents per Imperial gallon on all gasoline purchased or delivery of which is received by him.

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had come to a certain Resolution.

*Ordered*, That the Report be now received.

*Resolved*, Every purchaser of gasoline shall pay to the Minister of Highways for the use of His Majesty in right of the Province of Ontario a charge or tax at the rate of eight (8) cents per Imperial gallon on all gasoline purchased or delivery of which is received by him.

The Resolution having been read the second time, was agreed to, and referred to the House on Bill (No. 65), An Act to amend The Gasoline Tax Act.

The Order of the Day for the second reading of Bill (No. 65), An Act to amend The Gasoline Tax Act having been read,

Mr. Hepburn (Elgin) moved that the Bill be now read a second time; and the motion having been put was carried on the following Division:—

#### YEAS

Anderson	Fletcher	Leduc
Baker	Freeborn	MacGillivray
Ballantyne	Gallagher	MacKay
Bégin	Gardhouse	Mercer
Bélanger	Glass	Miller
Carr	Guthrie	Murray
Conacher	Habel	McEwing
Conant	Haines	McQuesten
Croome	Heenan	Newland
Cross	Hepburn	Nixon
Dewan	(Elgin)	(Brant)
Dickson	Hipel	Patterson
Duncan	Hunter	Sinclair
Elliott	King	Smith
Fairbank	Lamport	Strachan—43

#### NAYS

Acres	Elgie	Murphy
Arnott	Frost	Reynolds
Black	Henry	Spence
Challies	Hepburn	Stewart
Doucett	(Prince Edward-Lennox)	Summerville
Downer	Kennedy	Welsh—21
Drew	Kidd	
Duckworth	Macaulay	

And the Bill was accordingly read the second time and referred to a Committee of the Whole House to-day.

The House resolved itself into a Committee to consider Bill (No. 65), An



Act to amend The Gasoline Tax Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time forthwith.

Mr. Hepburn (Elgin) moved that Bill (No. 65), An Act to amend The Gasoline Tax Act, be now read a third time.

And the Motion having been put, was carried on the following division:—

#### YEAS

Anderson	Fletcher	Leduc
Baker	Freeborn	MacGillivray
Ballantyne	Gallagher	MacKay
Bégin	Gardhouse	Mercer
Bélanger	Glass	Miller
Carr	Guthrie	Murray
Conacher	Habel	McEwing
Conant	Haines	McQuesten
Croome	Heenan	Newland
Cross	Hepburn	Nixon
Dewan	(Elgin)	(Brant)
Dickson	Hipel	Patterson
Duncan	Hunter	Sinclair
Elliott	King	Smith
Fairbank	Lamport	Strachan—43

#### NAYS

Acres	Elgie	Murphy
Arnott	Frost	Reynolds
Black	Henry	Spence
Challies	Hepburn	Stewart
Doucett	(Prince Edward-Lennox)	Summerville
Downer	Kennedy	Welsh—21
Drew	Kidd	
Duckworth	Macaulay	

And the Bill was accordingly read the third time and was passed.

His Honour the Lieutenant-Governor entered the Chamber of the Legislative Assembly and took his Seat upon the Throne.

Mr. Speaker then addressed His Honour as follows:—

*May it please Your Honour:*

The Legislative Assembly of the Province has, at its present Sittings, passed a certain Bill to which, on behalf and in the name of the said Assembly, I respectfully request Your Honour's Assent.

The Clerk Assistant then read the title of the Act that had passed as follows:—

An Act to amend The Gasoline Tax Act.

To this Act the Royal Assent was announced by the Clerk of the Legislative Assembly in the following words:—

In His Majesty's name, His Honour the Lieutenant-Governor doth assent to this Act.

His Honour was then pleased to retire.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of the Department of Lands and Forests, Ontario, for year ending March 31st, 1938. (*Sessional Papers No. 3.*)

Also, Report of The Hydro-Electric Power Commission of Ontario for year ending October 31st, 1938. (*Sessional Papers No. 26.*)

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The House then adjourned at 11.20 p.m.

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MONDAY, APRIL 3RD, 1939

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PRAYERS.

3 O'CLOCK P.M.

The following Bill was introduced and read the first time:—

Bill (No. 67), intituled, "An Act to amend The Voters Lists Act." *Mr. Roebuck.*

*Ordered,* That the Bill be read the second time to-morrow.

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Mr. Challies asked the following Question (No. 5):—

1. What amounts, with dates, have been paid by the Government to the Hydro-Electric Power Commission since 1934 under the Rural Hydro-Electric Power District Service Act of 1930.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

No payments since October, 1934.

Mr. Challies asked the following Question (No. 6):—

1. (a) How many rural power districts under the jurisdiction of the Hydro-Electric Power Commission have deficits after full provisions have been made for the regular renewals, reserves, contingencies, etc., during 1938, and what was the total deficit; (b) What changes have been made, if any, in the provision for renewals, reserves, contingencies, etc., on rural power districts under the Hydro-Electric Power Commission since October 31st, 1934.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

1. (a) After required amount of renewals, contingencies and sinking fund had been provided, 113 districts had deficits. Total deficit for year—\$125,846.11.

(b) Revised rates for provision of—

	Renewals		Contingencies		Sinking Fund	
1934.....	2% of capital invested (No change)		1% of capital invested (No change)		40-year basis— (No change)	
1935.....	2%	" "	1%	" "	" "	" "
1936.....	1 $\frac{3}{4}$ %	" "	Nil		" "	" "
1937.....	1%	" "	Nil		" "	" "
1938.....	1%	" "	Nil		" "	" "

Regarding Questions No. 1, No. 10, No. 11, No. 12, No. 13 and No. 25 the Honourable the Minister of Lands and Forests required that these Questions be made Motions for Returns to the Order of the House.

On motion of Mr. Macaulay, seconded by Mr. Kennedy,

*Ordered*, That there be laid before this House a Return showing: 1. What amounts of Pulpwood did the Iroquois Falls mill of the Abitibi Power & Paper Company, the Smooth Rock Falls mill of the Abitibi Power & Paper Company, the Kapuskasing mill of the Spruce Falls Company, each procure or purchase from each of the following sources for each of the years 1935 to 1938, inclusive:

(a) From the Province of Quebec; (b) From licensed areas in Ontario held by each of the companies or its subsidiaries; (c) From pulp concessions in Ontario; (d) From licensed areas in Ontario held by others; (e) From freehold lands owned by each company or its subsidiaries; (f) From settlers' lots not patented at the time the pulpwood was cut; (g) From settlers' lots patented at the time the pulpwood was cut. 2. (a) What amounts of pulpwood are to be purchased from settlers' in Ontario during the operating season 1938-39 for use in each of the three mills referred to in (1) above; (b) What amounts are to be cut from pulp concessions in Ontario; (c) What amounts are to be procured from licensed lands held by the companies or their subsidiaries; (e) What amounts are to be procured from licensed lands held by others; (f) What amounts are to be cut from freehold lands owned by the Companies; (g) What amounts are to be procured from all other sources not included in (a), (b), (c), (d), (e) and (f) above.

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On motion of Mr. Macaulay, seconded by Mr. Kennedy,

*Ordered*, That there be laid before this House a Return showing: 1. (a) How many agreements or undertakings of any kind have been entered into by the Government with persons or companies since January 1st, 1935, to secure or promote the establishment, erection or development of pulp mills, paper mills, pulp and paper mills or other forest industries of a similar nature; (b) What are the names of the persons or companies with whom such agreements or undertakings have been entered into; (c) What is the date upon which each such agreement or undertaking was entered into; (d) At what point or points were such mills, plants or establishments to be erected in each case; (e) What kinds and classes of products were to be produced in each of such mills, plants or establishments; what was to be the rated productive capacity of each such mill, plant or establishment; (f) Upon what date was work to be commenced upon the actual construction, development or establishment of each such mill, plant or industry; (g) Did the agreements require that a certain stated portion of the work was to be completed and a certain stated sum of money expended on or before a certain definite date and if so what was that date and what amount of work was to be completed and money expended in each such case; (h) Did the agreements require that a certain number of men be employed for a certain specified time or season during each year and if so what number of men were in each case required to be employed and for what period or season of the year; (i) Were the foregoing requirements as to amount of work to be completed, money to be spent and men to be employed promptly and fully complied with and if not what were the names of the persons or companies who were delinquent or in default in complying with the terms of their agreement; (j) What were the particulars and extent of the delinquency or default in each case; (k) What guarantee, surety or security was posted with the Government in the form of cash, bonds, fidelity assurance or other collateral to ensure fulfillment of the terms of the agreement in each case; (l) Have the terms and conditions of each of the original agreements been fully and promptly complied with by each of the persons or companies with whom they were entered into; (m) What are the names of the persons or companies who have failed to fully and promptly comply with the terms of the agreements they entered into and in what manner and, particular and to what extent did each of such persons or companies fail to comply fully and promptly with the terms of their respective agreements; (n)



Did the Government levy or assess any penalties or charges of any nature whatsoever against those persons or companies who failed to fully and promptly comply with the terms of their agreements; (o) Where cash, bonds or other collateral security had been deposited with the Government as a guarantee or surety for the due and full performance of the terms of the agreement and the person or company with whom the agreement was entered into was delinquent or in default with respect to the terms of such agreement, did the Government declare such guarantee or surety enforceable and the cash, bonds or other collateral deposited with the Government forfeit to the Crown and if so what were the names of those persons or companies against whom such action was taken and what were the sums or amounts declared enforceable and forfeit to the Crown in each case. 2. (a) Have any of the agreements referred to in (1) above been changed, modified or renewed; (b) If so what part of the original agreement if any had in each case been complied with at the time of such change, modification and/or renewal; (c) What are the names of the persons or companies who failed to comply fully and promptly with the terms of their original agreements who were granted changes, modifications and/or renewals to their agreements; (d) What changes or modifications were in each case made to the original agreements; (e) What was the date in each case upon which an extension of time or renewal was granted and upon what date does the extension or renewal expire and determine; (f) Are the terms of the agreements as they now stand being fully and promptly complied with in each case and if not what are the names of the persons or companies who have failed to comply with the terms of their agreements since an extension of time or renewal was granted; (g) In what particulars has each of such persons failed to comply with the terms of the changed, modified or renewed agreement. 3. What sums of money are now due and unpaid on account of each of the agreements or changed or modified or renewed agreements referred to in (1) and (2) above, give names of persons or companies together with the amount now due in each case.

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On Motion of Mr. Macaulay, seconded by Mr. Kennedy,

*Ordered,* That there be laid before this House a Return showing: 1. How many licensees holding licenses from the Crown to cut sawlogs, ties, pulpwood or other classes of timber upon the lands of the Crown have surrendered their licenses or rights to cut, either entire or in part, upon the licensed areas or parts of licensed areas since January 1st, 1935. 2. How many licenses issued to operators to cut sawlogs, pulpwood, ties or other classes of timber upon the lands of the Crown have been cancelled or the licensed areas upon which cutting rights were granted reduced in area or the kinds and classes of timber to be cut increased or decreased by modification of the terms of the license since January 1st, 1935. 3. What were the terms and date in each instance for the surrender, cancellation or modification of the terms of the license or for the reduction of the licensed areas referred to in (1) and (2) above. 4. What payment in money or other consideration did the licensee receive from the Crown in each instance for the surrender of any licensed area or part of a licensed area or for the surrender of the right to cut any specific kind or class of timber referred to in (1) and (2) above. 5. In what respect, if any, had the licensee in each case failed to fulfill the terms of the agreement under which the license was issued in respect to those licenses referred to in (1) and (2) above. 6. Had all of the timber granted under

the terms of the licenses referred to in (1) and (2) above been removed prior to the surrender, cancellation or reduction of the area and if not what quantity of each kind and class of timber was estimated to be standing upon the area at the time of surrender, cancellation or reduction. 7. In cases where timber, ties, sawlogs, pulpwood or other material had not been removed as referred to in (6) above, what penalties, assessments for damages or other charges were levied and collected in each case and were any cash deposits, guarantees, bonds or other surety or security declared enforceable or forfeit to the Crown. If so, give particulars. 8. What was the size and location of each of the areas referred to in (1) and (2) above and who were the licensees in each case. 9. What price were the licensees in each case required to pay for each kind and class of timber cut upon the areas referred to in (1) and (2) above. 10. Has the Crown, since the surrender, cancellation, reduction or modification referred to in (1) and (2) above granted new licenses to either the former licensees or others to cut any class of timber upon the areas surrendered, cancelled or reduced. 11. If any license has been granted as in (10) above what is the size and the location of the area and to whom and when was such license granted and what price is in each case to be paid for each class and kind of timber to be cut.

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On motion of Mr. Macaulay, seconded by Mr. Kennedy,

*Ordered*, That there be laid before this House a Return showing: 1. (a) What is the total quantity of pulpwood cut from the Crown lands during each of the operating seasons 1934-35 to 1937-38, inclusive, for which permits to export same were granted; (b) What portion of such pulpwood cut from the Crown lands for export during each of the above operating seasons was cut and exported under the authority of the Orders-in-Council of March 23rd, 1935, and July 25th, 1935; (c) What portion of such pulpwood cut from the Crown lands for export during each of the above operating seasons was cut and exported under the authority of the Forest Resources Regulation Act of 1936 and in what manner does that Act authorize the Government to suspend the manufacturing conditions with respect to the export of pulpwood cut from the lands of the Crown; (d) Under what other authority did the Government permit the exportation of pulpwood cut from the Crown lands and what amounts were cut and exported under each such other authority during each of the above operating seasons. 2. (a) What is the location and size of the areas of Crown lands from which pulpwood was cut for export during each of the operating seasons 1934-35 to 1937-38, inclusive; (b) By whom were such areas held at the time such pulpwood was cut for export and did the persons or companies who held the areas or in whose names the areas stood conduct the cutting operations and the sale of the pulpwood for export or were the operations and sale of the pulpwood carried on by others and if so who were those other persons or companies in each instance; (c) What amounts of pulpwood was cut from each of the above areas during each of the operating seasons 1934-35 to 1937-38, inclusive. 3. (a) To what foreign mills or manufacturing plants was the pulpwood referred to in (1) and (2) above delivered during each of the years 1935 to 1938, inclusive and what amount was delivered to each mill during each year; (b) In what country, state and city, town or municipality are the mills or plants referred to in (a) above located or situated and what are the names of the persons or companies who own and operate them in each case; (c) By what means, power or authority does the

Government of Ontario prevent the pulpwood cut and exported from the lands of the Crown being delivered to or consumed in mills other than those to which it is originally consigned and for which the permission to export is granted; (d) Has the Government the power to prevent the conversion of such pulpwood into newsprint after it has been legally taken or removed beyond the territorial borders or administrative jurisdiction of the Province of Ontario and if so what are such powers; (e) Does the Government permit foreign mills to which pulpwood cut from Crown lands is delivered to supply, sell or transfer to other foreign pulp and/or paper mills any kind of mechanically or chemically produced pulp and if not by what means, power or authority does it prevent such supply, sale or transfer; (f) Have the owners, operators or officers of the foreign mills to which the Government permits the export of pulpwood cut upon the Crown lands any financial, managerial or pecuniary interest of any kind whatsoever in other foreign mills which manufacture or produce newsprint; (g) Does the Government permit any person or company or any officer, director or shareholder of any company enjoying the right to export pulpwood cut upon the Crown lands to hold or have any financial, managerial or other pecuniary interest in newsprint producing mills or plants situated in the States to which they are permitted to export pulpwood cut from the Crown lands, "State" in this instance being one of those territorial and jurisdictional units of which the United States of America is composed.

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On motion of Mr. Macaulay, seconded by Mr. Kennedy,

*Ordered*, That there be laid before this House a Return showing: 1. Did the Minister of Lands and Forests, during the operating season of 1934-35 make recommendation to the Lieutenant-Governor in Council to the effect that permission be granted to cut jackpine timber for the manufacture of ties or other products upon the Long Lake Pulp Concession at a point or points in or adjacent to the townships of Danford, Exton, Nakina. 2. Was such permission granted. If so on what date. To whom was it granted. 3. Was such timber offered for sale by tender or public auction. 4. What kinds and classes of timber were permitted to be cut. 5. For what quantity of each of such kinds and classes of timber was permission given to cut. 6. Did the original Order-in-Council under which operations on the area in question were permitted grant permission to occupy or cut upon the area for more than the single operating season of 1934-35. 7. What upset price or bonus was set by the Department, in addition to Crown dues, as payment for the timber cut upon the area at the time the Order-in-Council authorizing the cutting was passed. 8. Was the price as referred to in (7) above subsequently increased, reduced or otherwise changed or modified; if so, state changes made. 9. Did the Department's representative at Port Arthur make recommendation as to the price to be charged for the timber to be cut upon the area in question and if so what was such price. 10. Did the Deputy Minister of Lands and Forests make recommendation as to the price to be charged for the timber to be cut upon the area in question and if so what was such price. 11. What quantities of each of the kinds and classes of timber covered in the original permit to cut were returned by the Department's agent as having been cut upon the area in question during the season of 1934-35. 12. Were kinds or classes of timber other than those covered by the original permit cut upon the area in question during the operating season of 1934-35. If so what kinds and classes were so cut; what quantity of each kind or class



was cut and what price was paid for each kind or class. 13. Has the operator to whom the original permit to cut upon the area in question was granted, cut any timber upon the area since the season of 1934-35 and if so during what operating seasons has he operated thereon. 14. What quantities of each kind and class of timber has the operator cut upon the area during each of the operating seasons since that of 1934-35 and what prices have been paid for each kind or class of timber so cut. 15. Have permits to operate upon the area in question been granted to operators other than the person or company to whom the original permit was granted in the season of 1934-35 and if so what quantity of each kind and class of timber was in each instance cut and what were the prices paid for the same. 16. Did the Department of Lands and Forests at any time since the operating season of 1934-35 offer any of the timber on the area in question for sale by tender, at public auction or in any other manner whereby the value of the timber might have been determined through open and unrestricted competition. 17. Does any agreement or understanding exist between the Department of Lands and Forests and any operator or operators as to present or future operations upon the area in question. If so, what are the terms of such agreement or understanding.

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On motion of Mr. Macaulay, seconded by Mr. Kennedy,

*Ordered*, That there be laid before this House a Return showing: 1. (a) Has the Government since August 1st, 1934, by Order-in-Council or by any other means or process other than by advertisement and sale by tender increased the size of any areas held under license from the Crown for the cutting of pulpwood, saw logs, railway ties or other kinds or classes of timber or timber products; (b) What are the names of the persons or companies holding such licenses the area of which has been increased as referred to in (a) above; (c) What was the size of the original area and what kinds and classes of timber were covered by the original license and what was the price paid for each of the original kinds and classes of timber in each case; (d) What was the size of the new area added to the original licensed area in each case and what kinds and classes of timber were permitted to be cut upon the new area and what prices were paid for each kind and class of timber thereon; (e) What quantities of each kind and class of timber has been cut upon the area covered by the original license for each of the operating seasons since the new area was added in each case; (f) What quantities of each kind and class of timber has been cut upon the new area for each operating season since it was added to the original licensed area in each case. 2. (a) Has the Government since August 1st, 1934, by Order-in-Council or by any other means or process other than by advertisement and sale by tender added to the kinds and classes of timber permitted to be cut under the terms of the original license any other additional kinds or classes of timber on the area originally licensed; (b) What are the names of the persons or companies holding such licenses and what additional kinds and classes of timber have in each case been added to the kinds and classes covered by the original license; (c) What price has been charged in each case for each kind or class of timber added to those kinds and classes already covered under the terms of the original license; (d) What quantities of each kind or class of timber covered by the original license have in each case been cut during each operating season since the new kinds or classes of timber were added to the license to cut; (e) What quantities of each kind



or class of timber added to the original license have in each case been cut during each operating season since the new kinds and classes of timber were added to those covered by the original license.

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On motion of Mr. Kennedy, seconded by Mr. Challies,

*Resolved*, That in the opinion of this House reforestation and the preservation of forests is essential to the continuation of farming in this Province, and a permanent plan of water sheds should be established by means of which a map of every county will be prepared, showing where forests should be preserved or planted, such map to be furnished by the Department of Forestry on request of any County Council.

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The following Bills were severally read the second time:—

Bill (No. 1), An Act respecting the Township of Nepean.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 6), An Act respecting the City of Port Arthur.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 7), An Act respecting the Town of Waterloo.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 12), An Act respecting the Township of Barton.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 15), An Act respecting the Town of Trout Creek.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 60), An Act to amend The Municipal Act.

Referred to the Committee on Municipal Laws.

Bill (No. 66), An Act to amend The Municipal Act.

Referred to the Committee on Municipal Laws.

Bill (No. 62), An Act to amend The Limitations Act.

Referred to the Committee on Legal Bills.

Bill (No. 63), An Act to amend The Mortgages Act.

Referred to the Committee on Legal Bills.

Bill (No. 64), The Collection Agencies Act, 1939.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 52), The Training Schools Act, 1939.

Referred to a Committee of the Whole House to-morrow.

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The Order of the Day for resuming the Adjourned Debate on the Motion for the second reading of Bill (No. 56), "The Race Tracks Tax Act, 1939" having been read, the Debate was resumed, and after some time, the Motion having been put, was carried and the Bill was accordingly read a Second time and referred to the Committee of the Whole House to-morrow.

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The recommendation for the consideration of the Report of the Select Committee appointed during the Session of 1938 to consider a revision of the Rules of the House having been read,

The House resolved itself into a Committee to consider the Report on the revision of the Rules of the House, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to recommend the adoption of the Report of the Committee as follows, with the exception of Section "D" of Rule No. 38, which was deleted:—

The Select Committee composed of Messrs. Clark, Henry and Hipel, which was appointed during the 1938 Session of this House with power to sit during the Recess for the purpose of considering a proposed revision of the Rules of the House which had been prepared by the Clerk, beg leave to present their report, as follows:—

Your Committee held several meetings and very carefully considered the Rules and the proposed revision with the result that certain additional alterations were made by unanimous vote of the Committee in addition to the amendments submitted by the Clerk. Your Committee feels that the Rules as now submitted to the House will facilitate the conduct of the business of this Assembly.

Your Committee therefore recommends the adoption of the Revised edition of the Rules which is attached to this Report, and that, if so adopted, the new Rules become effective on the First Day of May, 1939.

It is also recommended that the Rules as adopted be printed as an appendix to the Journals of the present Session of the House, and that the Clerk of the Assembly be authorized to have them published in book form for distribution, and that a copy of such book be mailed to each Member of the Assembly.

On motion by Mr. Hipel,

*Ordered*, That the Report be adopted.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Copies of Orders-in-Council pertaining to the Department of Education, 1938-1939. (*Sessional Papers No. 45.*)

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The House then adjourned at 5.40 p.m.

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TUESDAY, APRIL 4TH, 1939

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PRAYERS.

3 O'CLOCK P.M.

Mr. Elliott, from the Standing Committee on Private Bills, presented their Second Report which was read as follows and adopted:—

Your Committee beg to report the following Bills without amendment:—

Bill (No. 8), An Act respecting the Roman Catholic Episcopal Corporation for the Diocese of Alexandria.

Bill (No. 19), An Act respecting The Women's Christian Association of Belleville.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 18), An Act respecting the City of London.

Bill (No. 22), An Act respecting the Cities of Port Arthur and Fort William.

Your Committee would recommend that the fees less the penalties and the actual cost of printing be remitted on Bill (No. 8), An Act respecting the Roman Catholic Episcopal Corporation for the Diocese of Alexandria, and Bill (No. 19), An Act respecting The Women's Christian Association of Belleville, on the ground that they relate to religious institutions.

*Ordered*, That the fees less the penalties and the actual cost of printing be remitted on Bill (No. 8), An Act respecting the Roman Catholic Episcopal Corporation for the Diocese of Alexandria, and Bill (No. 19), An Act respecting The Women's Christian Association of Belleville, on the ground that they relate to religious institutions.

The following Bills were severally introduced and read the first time:—

Bill (No. 68), intituled, "An Act to amend The Constables Act." *Mr. Conant.*

*Ordered,* That the Bill be read the second time to-morrow.

Bill (No. 69), intituled, "An Act respecting the Changing of Names." *Mr. Hagey.*

*Ordered,* That the Bill be read the second time to-morrow.

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The Order of the Day for resuming the Adjourned Debate on the Motion that Mr. Speaker do now leave the Chair, and that the House resolve itself into the Committee of Supply, having been read,

The Debate was resumed,

And after some time it was on the motion of Mr. Nixon (Temiskaming),

*Ordered,* That the Debate be adjourned until Thursday next.

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The House then adjourned at 5.44 p.m.

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### WEDNESDAY, APRIL 5TH, 1939

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PRAYERS.

3 O'CLOCK P.M.

Mr. Conant tabled the report of the Select Committee of the Ontario Legislature appointed during the Session of 1938 to inquire into certain contracts made by the Hydro-Electric Power Commission of Ontario.

On motion by Mr. Conant, seconded by Mr. Nixon (Brant),

*Ordered,* That the same be incorporated in the Journals of the House.

Mr. Macaulay tabled the minority report of the Select Committee of the Ontario Legislature appointed during the Session of 1938 to inquire into certain contracts made by the Hydro-Electric Power Commission of Ontario.

On motion by Mr. Macaulay, seconded by Mr. Challies,

*Ordered,* That the same be incorporated in the Journals of the House.



Mr. Speaker called the attention of the House to the fact that the presentation of two reports from a Select Committee on a matter referred to the Committee for consideration was contrary to Parliamentary usage and directed that it be noted in the Journals of the House that the present action should not be allowed to constitute a precedent for future Committees.

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The following Bills were severally read the second time:—

Bill (No. 69), An Act respecting the Changing of Names.

Referred to the Committee on Legal Bills.

Bill (No. 8), An Act respecting the Roman Catholic Episcopal Corporation for the Diocese of Alexandria.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 18), An Act respecting the City of London.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 19), An Act respecting the Women's Christian Association of Belleville.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 22), An Act respecting the Cities of Port Arthur and Fort William.

Referred to a Committee of the Whole House to-morrow.

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The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 1), An Act respecting the Township of Nepean.

Bill (No. 6), An Act respecting the City of Port Arthur.

Bill (No. 7), An Act respecting the Town of Waterloo.

Bill (No. 12), An Act respecting the Township of Barton.

Bill (No. 15), An Act respecting the Town of Trout Creek.

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the several Bills without amendments.

*Ordered*, That the Bills reported be severally read the third time to-morrow.

The House again resolved itself into a Committee to consider Bill (No. 31), An Act to amend The Pharmacy Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

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The House again resolved itself into a Committee to consider Bill (No. 32), An Act to amend The Venereal Diseases Prevention Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 35), An Act to amend The Coroners' Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 47), An Act to amend The Crown Timber Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 48), An Act to amend The Law Society Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

The House resolved itself into a Committee to consider Bill (No. 54), The Corporations Tax Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

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The House then adjourned at 6.00 p.m.

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THURSDAY, APRIL 6TH, 1939

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PRAYERS.

3 O'CLOCK P.M.

Mr. Elliott, from the Standing Committee on Private Bills, presented their Third Report which was read as follows and adopted:

Your Committee beg to report the following Bill without amendment:—

Bill (No. 2), An Act respecting the City of Chatham.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 10), An Act respecting the Township of Trafalgar.

Bill (No. 11), An Act respecting the City of Toronto.

Bill (No. 16), An Act respecting the Township of Sandwich West.

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On motion by Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That when this House adjourns the present Sitting thereof, it do stand adjourned until Wednesday next, the 12th instant.

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The following Bills were severally introduced and read the first time:—

Bill (No. 70), intituled, "The Municipal Amendment Act, 1939." *Mr. Cross.*

*Ordered*, That the Bill be read the second time on Wednesday next.

Bill (No. 71), intituled, "An Act to amend The Public Health Act." *Mr. Kennedy.*

*Ordered,* That the Bill be read the second time on Wednesday next.

Bill (No. 72), intituled, "An Act to amend The Municipal Act." *Mr. Kennedy.*

*Ordered,* That the Bill be read the second time on Wednesday next.

Bill (No. 73), intituled, "An Act respecting the Sandwich, Windsor and Amherstburg Railway." *Mr. Conant.*

*Ordered,* That the Bill be read the second time on Wednesday next.

Bill (No. 74), intituled, "An Act to amend The Municipal Act." *Mr. Strachan.*

*Ordered,* That the Bill be read the second time on Wednesday next.

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The following Bills were read the third time and were passed:—

Bill (No. 1), An Act respecting the Township of Nepean.

Bill (No. 6), An Act respecting the City of Port Arthur.

Bill (No. 7), An Act respecting the Town of Waterloo.

Bill (No. 12), An Act respecting the Township of Barton.

Bill (No. 15), An Act respecting the Town of Trout Creek.

Bill (No. 31), An Act to amend The Pharmacy Act.

Bill (No. 32), An Act to amend The Venereal Diseases Prevention Act.

Bill (No. 47), An Act to amend The Crown Timber Act.

Bill (No. 48), An Act to amend The Law Society Act.

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The Order of the Day for resuming the Adjourned Debate on the Motion, That Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of Supply having been read,

The Debate was resumed and, after some time, it was, on the motion of Mr. Miller.

*Ordered,* That the Debate be adjourned until to-morrow.



The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Return to an Order of the House dated 15th March, 1939, that there be laid before the House,

Copies of all contracts, telegrams, correspondence and memoranda relating to the rights and reorganization of the Abitibi Power and Paper Company Limited since January 1st, 1937. (*Sessional Papers No. 46.*)

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The House then adjourned at 4.35 p.m.

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WEDNESDAY, APRIL 12TH, 1939

PRAYERS.

3 O'CLOCK P.M.

The Clerk informed the House that Mr. Speaker was ill and unable to take the Chair.

On motion by Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That Mr. Patterson be elected to occupy the Chair and preside over the deliberations of this House during the temporary absence, through illness, of the Honourable the Speaker.

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The following Bills were severally introduced and read the first time:—

Bill (No. 75), intituled, "The Guelph Railway Act, 1939." *Mr. Houck.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 76), intituled, "An Act to amend The Marriage Act." *Mr. Croll.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 77), intituled, "An Act to Recognize in law the Right of Employees to organize for the furtherance of their Lawful Interests." *Mr. Croll.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 78), intituled, "The Village of Lion's Head Act, 1939." *Mr. Houck.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 79), intituled, "An Act to amend The Rural Hydro-Electric Distribution Act." *Mr. Houck*.

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 80), intituled, "An Act to amend The Power Commission Act." *Mr. Houck*.

*Ordered*, That the Bill be read the second time to-morrow.

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Mr. Roebuck asked the following Question (No. 28):—

What was the amount of electrical energy measured in kilowatt hours purchased and generated and sold by the Hydro-Electric Power Commission of Ontario during the year ending 31st October, 1938, as follows: Total energy purchased, 1938, kilowatt hours; Total energy generated, 1938, kilowatt hours.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:

Total energy purchased, 1938.....	2,114,914,807 kilowatt hours
Total energy generated, 1938.....	5,467,157,766 kilowatt hours*

\*Energy generated in 1938 materially curtailed owing to protracted shutdown of Ontario Power plant.

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The following Bill was read the third time and was passed:—

Bill (No. 54), The Corporations Tax Act, 1939.

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The following Bills were severally read the second time:—

Bill (No. 71), An Act to amend The Public Health Act.

Referred to the Committee on Municipal Law.

Bill (No. 72), An Act to amend The Municipal Act.

Referred to the Committee on Municipal Law.

Bill (No. 74), An Act to amend The Municipal Act.

Referred to the Committee on Municipal Law.

Bill (No. 2), An Act respecting the City of Chatham.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 10), An Act respecting the Township of Trafalgar.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 11), An Act respecting the City of Toronto.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 16), An Act respecting the Township of Sandwich West.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 68), An Act to amend The Constables Act.

Referred to a Committee of the Whole House to-morrow.

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The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 8), An Act respecting the Roman Catholic Episcopal Corporation for the Diocese of Alexandria.

Bill (No. 18), An Act respecting the City of London.

Bill (No. 19), An Act respecting the Women's Christian Association of Belleville.

Bill (No. 22), An Act respecting the Cities of Port Arthur and Fort William.

Mr. Speaker resumed the Chair; and Mr. Carr reported, That the Committee had directed him to report the several Bills without amendments.

*Ordered*, That the Bills reported be severally read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 49), An Act to amend The Insurance Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Carr reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

The House resolved itself into a Committee to consider Bill (No. 53), An Act to amend The Sanatoria for Consumptives Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Carr reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 55), The Security Transfer Tax Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Carr reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 64), The Collection Agencies Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Carr reported, That the Committee had directed him to report progress, and to ask for leave to sit again.

*Resolved*, That the Committee have leave to sit again to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 52), The Training Schools Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Carr reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 56), The Race Tracks Tax Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Carr reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.



The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

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The Order of the Day for resuming the Adjourned Debate on the Motion that Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of Supply, having been read,

The Debate was resumed and, after some time, it was on the motion of Mr. Duckworth,

*Ordered*, That the Debate be adjourned until to-morrow.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Annual Report of the Hospitals and Sanatoria of the Province of Ontario for year ending September 30th, 1938. (*Sessional Papers No. 16.*)

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The House then adjourned at 6.00 p.m.

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## THURSDAY, APRIL 13TH, 1939

PRAYERS.

3 O'CLOCK P.M.

Mr. Croll, from the Standing Committee on Private Bills, presented their Fourth Report which was read as follows and adopted:—

Your Committee beg to report the following Bills without amendment:—

Bill (No. 9), An Act respecting L'Institut Canadien Français de la Cité d'Ottawa.

Bill (No. 17), An Act to authorize the Law Society of Upper Canada to Admit Aurélien Bélanger as a Barrister and Solicitor.

Bill (No. 23), An Act respecting the Rideau Club.

Your Committee beg to report the following Bill with certain amendments:—

Bill (No. 3), An Act respecting the Town of Leaside.

Your Committee would recommend that the fees less the penalties and the actual cost of printing be remitted on Bill (No. 9), An Act respecting L'Institut Canadien Français de la Cité d'Ottawa, on the ground that it relates to a religious institution.

*Ordered*, That the fees less the penalties and the actual cost of printing be remitted on Bill (No. 9), An Act respecting L'Institut Canadien Français de la Cité d'Ottawa, on the ground that it relates to a religious institution.

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The following Bills were severally introduced and read the first time:—

Bill (No. 81), intituled, "The Holidays with Remuneration Act, 1939."  
*Mr. Croll.*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 82), intituled, "An Act to amend The Highway Traffic Act."  
*Mr. McQuesten.*

*Ordered*, That the Bill be read the second time to-morrow.

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Before the Orders of the Day were called the Honourable the Minister of Education referred to the discussion in the House on the 12th instant of the statements made by Professor Grube of Trinity University, as reported in the Press, in which Professor Grube stated that any War in Europe at the present time would not be a war for democracy and that Canada's expenditure for defence would only be a contribution in support of British Imperialism. The Minister advised the House that the Provincial Government makes no contribution towards the expenditures of Trinity University and therefore can exercise no direct control over the members of the staff. He would, however, discuss the matter with the Principal of Trinity and urge that some action be taken.

In associating himself with the remarks of the Minister, Mr. Drew called attention to certain statements of a similar nature made by Professor Underhill of University College, notably one which had been quoted in a book professing to interpret Canada's attitude towards Empire matters in which he said that Canada had no further interest in the Poppies which grow in Flanders Fields and that if Canada were approached to again take part in the Empire's battles for democracy we "should thumb our noses at the emissaries."

The Honourable the Prime Minister joined in condemning the statements attributed to the two professors and expressed very strongly his view that some drastic action should be taken by the University authorities and failing such action the Legislative Assembly should take action by means of a resolution expressing the desire of the Assembly that action be taken. He pointed out that in the case of Professor Underhill the Government has some authority and can insist on some proper disciplinary action.

Mr. Hunter moved, seconded by Mr. Anderson,

That Professor Grube of Trinity University and Professor Underhill of University College, for conduct subversive of the purposes for which our Ontario educational institutions are established, should forthwith be dismissed from the posts they now hold and should not again be employed in any similar position.

For the purpose of allowing the Honourable the Minister of Education to discuss the matter with the Governors of the University of Toronto and the Principal of Trinity University, it was on the motion of the Honourable the Prime Minister,

*Ordered*, That the Debate be adjourned.

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The following Bills were read the third time and were passed:—

Bill (No. 8), An Act respecting the Roman Catholic Episcopal Corporation for the Diocese of Alexandria.

Bill (No. 18), An Act respecting the City of London.

Bill (No. 19), An Act respecting the Women's Christian Association of Belleville.

Bill (No. 22), An Act respecting the Cities of Port Arthur and Fort William.

Bill (No. 53), An Act to amend The Sanatoria for Consumptives Act.

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The Order of the Day for resuming the Adjourned Debate on the Motion that Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of Supply, having been read,

The Debate was resumed and, after some time, it was on the motion of Mr. Carr,

*Ordered*, That the Debate be adjourned until Monday next.

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The House then adjourned at 5.50 p.m.

FRIDAY, APRIL 14TH, 1939

PRAYERS.

3 O'CLOCK P.M.

The following Bills were severally introduced and read the first time:—

Bill (No. 83), intituled, "The School Law Amendment Act, 1939." *Mr. Simpson.*

*Ordered,* That the Bill be read the second time on Monday next.

Bill (No. 84), intituled, "An Act to amend The Municipal Subsidy Act." *Mr. Cross.*

*Ordered,* That this Bill be read the second time on Monday next.

Bill (No. 85), intituled, "An Act to amend The Game and Fisheries Act." *Mr. Nixon (Brant).*

*Ordered,* That the Bill be read the second time on Monday next.

The Order of the Day for the third reading of Bill (No. 35), An Act to amend The Coroner's Act having been read,

*Ordered,* That the Order be discharged, and that the Bill be forthwith again referred to a Committee of the Whole, with instructions to amend the same.

The following Bills were read the third time and were passed:—

Bill (No. 49), An Act to amend The Insurance Act.

Bill (No. 55), The Security Transfer Tax Act, 1939.

Bill (No. 52), The Training Schools Act, 1939.

Bill (No. 56), The Race Tracks Tax Act, 1939.

Mr. Kidd asked the following Question (No. 4):—

1. What lands were purchased by the government in connection with the Ontario Hospital at St. Thomas, Ontario. 2. How many acres of land were purchased; (a) From whom was the land purchased; (b) What was the purchase price of each parcel of land. 3. What has been the total amount expended on the Ontario Hospital at St. Thomas to date. 4. What is the total amount of tenders awarded. 5. To whom were tenders granted, and what was the amount in each case. 6. What is the total amount expended within tenders.



7. What amount of extras have been granted on each specific tender. 8. How many buildings are now under construction.

The Honourable the Minister of Public Works replied as follows—

1. Farm lands situate in Yarmouth Township, County of Elgin, on Highway No. 4.

2. 467 acres, more or less.

(a)	(b)
James Todd.....	\$13,000.00
G. and M. C. Cross.....	8,000.00
Thos. J. Dale.....	5,000.00
Mary F. Parish.....	10,000.00
Robert M. Hepburn.....	18,800.00 (Arbitration Award)
Hugh Cassidy.....	8,000.00
Edith Sanderson.....	10,000.00

3. \$4,178,558.02.

4. \$5,477,850.33.

5.

6.

7.

#### SIX PATIENTS' PAVILIONS AND PASSAGES

Name of Contractor	Nature of Contract	Amount of Tender	Amount expended within tenders	Amount of Additions (A) or Deductions (D)
Pigott Construction Co. Ltd....	General trades.....	\$1,040,000.00	\$894,705.78	\$31,305.42 (D)
Pigott Construction Co. Ltd....	Cut stone.....	273,840.00	254,631.53	
Purdy, Mansell, Ltd.....	Plumbing for three pavilions.....	58,325.00	50,536.44	716.90 (A)
Geo. C. Abbott Ltd.....	Heating for three pavilions.....	50,343.00	48,730.00	718.12 (A)
Bennett & Wright Ltd.....	Heating for three pavilions.....	50,343.00	47,511.34	68.64 (D)
Eggett & Co.....	Plumbing for three pavilions.....	56,905.00	48,368.56	2.70 (A)
Canada Electric Co. Ltd.....	Electrical.....	38,773.00	33,356.90	356.49 (A)
Otis-Fensom Elevator Co.....	Elevators.....	36,820.00	29,240.06	110.00 (A)

#### DINING HALL, KITCHEN, MALE AND FEMALE INFIRMARIES

Pigott Construction Co. Ltd....	General trades.....	1,037,800.00		
Pigott Construction Co. Ltd....	Interior Finishing, Dining Hall and Kitchen.....	18,620.05	915,710.32	3,742.71 (A)
Goodram Bros.....	Plumbing.....	80,000.00		
Goodram Bros.....	Plumbing for equipment, Dining Hall and Kitchen.....	9,103.00	60,969.57	1,678.45 (A)
Robert Rankin & Sons.....	Heating and ventilating.....	96,400.00		
Robert Rankin & Sons.....	Steam piping and ventilation, Dining Hall and Kitchen.....	7,596.55	82,129.21	135.58 (A)
Canada Electric Co. Ltd.....	Electrical.....	28,795.00	18,390.25	93.23 (D)
Eureka Refrigerating Co.....	Insulation, refrigerator doors, etc.....	6,800.00	7,311.24	1,064.32 (A)
Kelvinator of Canada Ltd....	Refrigeration equipment.....	9,568.00	6,751.69	87.00 (A)
Otis-Fensom Elevator Co.....	Elevators.....	25,671.00	20,699.20	301.00 (D)

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## POWER HOUSE, EQUIPMENT AND HEATING TUNNELS

Name of Contractor	Nature of Contract	Amount of Tender	Amount expended within tenders	Amount of Additions (A) or Deductions (D)
Pigott Construction Co. Ltd.	General trades.....	\$174,500.00	\$161,008.34	\$4,156.99 (A)
Canada Electric Co. Ltd.	Electrical.....	9,437.00	8,431.79	1,435.45 (A)
B. J. Miller & Co.	Piping and Plumbing	70,936.00	57,402.60	1,252.32 (A)
Darling Bros. Ltd.	Feed water heaters.	4,151.00	3,499.20	.....
H. Morris Crane & Hoist Co.	Overhead crane and rails.....	1,215.00	1,139.40	.....
Stephens Adamson Mfg. Co.	Coal and ash handling equipment...	30,941.52	29,107.10	269.26 (A)
Horton Steel Works.	Water tower.....	15,900.00	15,343.25	425.00 (A)
Francis Hankin & Co.	Radial chimney....	6,593.00	6,366.00	.....
Francis Hankin & Co.	Water meter.....	1,007.00	945.00	.....
E. Leonard & Sons.	Boilers and stokers..	50,918.00	39,000.00	.....
Smart Turner Machine Co.	Boiler feed pumps..	1,582.55	1,582.55	.....
Babcock-Wilcox, Goldie-McCulloch, Ltd.	Water pumps.....	6,323.00	6,648.85	439.00 (A)
Taylor Engineering & Construction Co.	Incinerator.....	1,550.00	1,507.68	163.00 (A)
Smart Turner Machine Co.	Sewage pumps.....	4,045.50	3,566.39	219.00 (D)
Universal Plumbing & Heating Co.	Heating and return mains.....	47,867.75	38,849.78	.....
Pigott Construction Co. Ltd.	Switch house.....	1,500.00	1,143.25	75.00 (A)

## ADMINISTRATION AND HOSPITAL BUILDINGS

Isley-Wilde Co. Ltd.	General trades.....	784,495.00	347,512.79	1,189.48 (A)
Canada Electric Co. Ltd.	Electrical.....	34,122.00	8,243.50	292.28 (D)
Bennett & Wright Ltd.	Plumbing.....	50,540.00	7,778.93	35.00 (A)
Geo. C. Abbott Ltd.	Plumbing.....	40,824.00	15,188.67	481.24 (A)
Robert Rankin & Sons Ltd.	Heating.....	29,692.00	6,059.13	.....
B. J. Miller & Co.	Heating.....	40,331.00	12,211.60	3,851.00 (A)

## LAUNDRY BUILDING

Pigott Construction Co. Ltd.	General trades.....	131,600.00	65,508.93	4.44 (A)
Eggett & Co. Ltd.	Heating.....	16,940.00	2,176.11	.....
Universal Plumbing & Heating Co.	Plumbing.....	7,283.75	.....	115.00 (A)
Canada Electric Co. Ltd.	Electrical.....	15,979.00	2,416.72	.....
Otis-Fensom Elevator Co.	Elevators.....	30,100.00	3,910.00	.....

## OUTSIDE SERVICES

Carroll-Sharp Construction Co. Ltd.	Water mains and sewers from site to St. Thomas.....	25,478.00	27,718.20	4,099.18 (A)
Carroll-Sharp Construction Co. Ltd.	Storm and sanitary sewers to Pavilions, Infirmary and Dining Hall..	46,949.00	76,714.99	19,577.38 (A)
Carroll-Sharp Construction Co. Ltd.	Storm and sanitary sewers to Hospital and Administration Buildings....	20,547.00		
Canada Electric Co. Ltd.	Power Distribution.	70,108.00	52,135.45	.....
Canada Electric Co. Ltd.	Telephone distribution.....	6,032.78	5,975.20	8.67 (A)
Industrial Construction Co.	Sewers, roads, walks	61,711.75	.....	.....

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## NURSES' RESIDENCE, GARAGE AND TUNNELS

Name of Contractor	Nature of Contract	Amount of Tender	Amount expended within tenders	Amount of Additions (A) or Deductions (D)
Pigott Construction Co. Ltd.	General trades.	\$322,000.00	.....	.....
Adam Clark Ltd.	Plumbing.	21,605.00	.....	.....
Robert Rankin & Sons.	Heating.	34,054.00	.....	.....
Carroll-Sharp Construction.	Sewers and drains.	8,712.00	.....	.....
Canada Electric Co. Ltd.	Electrical.	41,186.00	.....	.....

## FURNISHINGS AND EQUIPMENT

Robert Simpson Co. Ltd.	Kitchen and Dining Room equipment.	\$33,066.50	\$14,900.75	.....
Lauder & Co. Ltd.	Steam urns.	1,335.30	1,000.00	.....
Wrought Iron Range Co.	Storage racks and cabinets.	9,068.00	7,366.25	.....
Eberhard & Walker.	Warming cabinets.	2,949.00	1,264.23	.....
General Steel Wares.	Kitchen equipment.	14,901.32	13,931.62	\$30.30 (A)
Canadian Office & School Furniture Co.	Kitchen equipment.	1,672.70	1,672.70	.....
Provincial Construction Co.	Dining Room tables.	7,550.00	6,550.00	.....
Office Specialty Co.	Lockers (dining hall)	294.80	.....	17.20 (A)
Office Specialty Co.	Blanket warmer cabinets.	1,294.00	.....	.....
Robert Simpson Co. Ltd.	Ranges and toasters.	5,020.00	.....	.....
Wrought Iron Range Co.	Urns, tables, etc.	6,144.00	.....	.....
Hobart Mfg. Co.	Dish washing machines.	2,496.00	.....	.....
Francis Hankin & Co.	Water softener.	1,376.00	.....	.....
Canadian Laundry Machinery Co.	Laundry equipment.	20,156.35	.....	.....
Beaver Laundry Machinery Co.	Laundry equipment.	21,511.00	.....	.....
Canadian Hoffman Machinery Co.	Laundry equipment.	3,218.40	.....	.....
Robert Simpson Co. Ltd.	Metal tube furniture	4,551.80	.....	.....
T. Eaton Co. Ltd.	Metal tube furniture	1,273.48	.....	.....
Standard Tube Co.	Metal tube furniture	286.00	.....	.....
Robert Simpson Co. Ltd.	Refrigerators.	6,679.00	.....	.....
Robert Simpson Co. Ltd.	Electrical fixtures.	3,422.48	.....	271.92 (A)
Dunlop Tire & Rubber Goods.	Mattresses.	4,660.52	2,623.77	.....
Baldwin Robinson Co.	Mattress covers.	1,350.00	.....	.....
Goodwin Furniture House.	Mattress covers.	1,350.00	.....	.....
Baldwin Robinson Co.	Pillows.	592.50	592.50	.....
Goodwin Furniture House.	Pillows.	592.50	592.50	.....
Windsor Bedding Co.	Mattresses.	11,448.00	11,448.00	.....
Interior Hardwood Co.	Furniture.	4,124.60	.....	21.00 (A)
Canadian Office & School Furniture Co.	Furniture.	14,084.48	.....	.....
Hespeler Furniture Co. Ltd.	Furniture.	1,596.40	.....	130.00 (A)
Provincial Construction Co.	Furniture.	2,857.92	.....	.....
Globe Furniture Co. Ltd.	Furniture.	9,050.78	.....	.....
John C. Mundell Co.	Furniture.	4,237.50	.....	.....
North America Bent Chair Co.	Furniture.	1,287.00	.....	.....
Aluminum Goods Ltd.	Kitchen equipment.	1,012.60	1,012.60	.....
Canadian Office & School Furniture Co.	Desks, chairs, etc.	254.60	.....	.....
Sully Aluminum Co.	Jugs.	721.00	721.00	.....
General Steel Wares.	Kitchen equipment.	1,973.59	1,973.59	.....
T. Eaton Co. Ltd.	Chairs.	426.00	426.00	.....
Robert Simpson Co. Ltd.	Roasters and sauce pans.	262.80	.....	.....
Wrought Iron Range Co.	Kettles, cutlery.	107.80	107.80	.....
Canadian William Rogers Ltd.	Silverware.	94.33	.....	.....
General Steel Wares, Ltd.	Roasters.	426.65	426.65	.....

5.			6.	7.
Name of Contractor	Nature of Contract	Amount of Tender	Amount expended within tenders	Amount of Additions (A) or Deductions (D)
T. Eaton Co. Ltd.....	Kitchen, dining equipment.....	\$1,715.46	\$1,608.76	.....
Grand & Toy Ltd.....	Office furniture.....	199.50	199.50	.....
Wrought Iron Range Co.....	Cutlery and dining equipment.....	1,046.51	1,030.71	.....
Robert Simpson Co. Ltd.....	Cutlery and dining equipment.....	954.99	80.17	.....
Provincial Construction Co.....	Furniture.....	59.75	.....	.....
T. Eaton Co. Ltd.....	Furniture.....	804.72	.....	.....
Robert Simpson Co. Ltd.....	Furniture.....	2,665.20	.....	.....
Grand & Toy Ltd.....	Furniture.....	531.95	531.95	.....
Goodwin, Baldwin & Robinson.....	Furniture.....	3,756.88	.....	.....
Office Specialty Mfg. Co.....	Furniture.....	525.91	.....	.....
Hay Stationery Co.....	Furniture.....	2,378.35	.....	.....
Vallance, Brown & Co.....	Silverware.....	955.95	.....	.....
McMurtry Hardware Co.....	Trans, etc.....	99.00	.....	.....
Cassidy's Ltd.....	Dishes.....	199.75	.....	.....
McGlashan Clark Co.....	Cutlery.....	165.00	164.15	.....
Textile Products Co.....	Table Cloths, etc.....	106.44	106.44	.....
General Steel Wares Ltd.....	Electric washer.....	347.91	347.91	.....
Grand & Toy Ltd.....	Office furniture.....	239.27	.....	.....
Bramwell-Saywell.....	Typewriters and adding machines..	908.54	.....	.....
Wrought Iron Range Co.....	Steel shelving.....	416.00	416.00	.....
Macotta Co. of Canada Ltd.....	Hoods of ranges.....	7,340.00	6,410.99	.....
James Robertson Co.....	Chrome towel rings.....	170.60	170.60	.....
Hay Stationery Co.....	Steel shelving.....	1,594.00	1,594.00	.....
Ontario Reformatory Industries.....	Beds and bedding..	45,430.75	28,227.73	.....

Mr. Spence asked the following Question (No. 22):—

1. Have the insurance company bonds held by the Province in respect of Abitibi Power & Paper Company Limited licensed timber areas been surrendered by the Province, if so give particulars of the bonds so surrendered, amount and name of the company in the case of each bond so surrendered. 2. What bonds if any have been substituted for the insurance company bonds so surrendered.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

1. No. 2. See Answer to 1.

Mr. Spence asked the following Question (No. 23):—

1. Is the waterway for the transportation of wood referred to in the agreement with Pulpwood Supply Company Limited ready for the transportation of wood. If so at what date was it so ready. How much wood has been transported along such waterway. 2. How much wood is ready for transport along the same.

The Honourable the Minister of Lands and Forests replied as follows:—

1. (a) No; (b) Answered by (a); (c) None. 2. Approximately 30,000 Cords.



Mr. Macaulay asked the following Question (No. 24):—

1. (a) Did the Government, during the operating season 1934-35 advertise for sale the timber or any part thereof standing or growing upon the Townships of Copperfield and/or Bonar or any part or parts thereof; (b) What number of bids were received for said timber, who were the bidders and what price did each of the bidders offer to pay for each kind and class of timber offered for sale; (c) What was the actual price received by the Government for each kind and class of timber sold and what was the name of the successful bidder; (d) What quantities of each kind or class of timber were cut upon the area in question for each of the operating seasons during which the area was under license or permit to cut.

The Honourable the Minister of Lands and Forests replied as follows:

1. (a) Yes, Copperfield Township (Part); (b) One Tender received—Messrs. Clark and Devlin, Jack Pine Tie Timber, \$7.16 per M.ft.BM.; (c) Same as tendered;

	Jack Pine
(d) 1934-35 .....	1,083,111 ft.
1935-36 .....	2,099,436 ft.

Mr. Freeborn asked the following Question (No. 26):—

What was the total number employed by the Department of Game and Fisheries as of (a) March 1st, 1934; (b) July 1st, 1934; (c) March 1st, 1939

The Honourable the Provincial Secretary replied as follows:—

(a) 208; (b) 231; (c) 172.

Mr. Henry asked the following Question (No. 29):—

1. What has been the total amount rebated in relation to the Gasoline Tax during the fiscal year ending March 31st, 1939. 2. How much was outstanding on March 31st, 1939, for rebates claimed on account of gasoline purchased during the fiscal year ending on that date. 3. How many accounts are outstanding in relation to gasoline purchased during the last fiscal year.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

The rush season for applications for refunds of Gasoline Tax comes at the end of the calendar year and there is always a great accumulation of applications at that time. The Chief Inspector of Gasoline Tax and some members of his Staff have been engaged in special work for the Treasury Department, which also had the effect of slowing up Gasoline Tax refunds.

The work is well in hand at the present time, and the number of applications

not yet dealt with is, approximately, 5,000. Refund claims are being dealt with as rapidly as circumstances will permit, and it is the intention to dispose of all claims for refunds before the books close for the fiscal year which ended March 31st, 1939. The amounts refunded will, of course, be charged against the Gasoline Tax revenue of the last fiscal year.

In order to avoid the time and trouble of preparing the information asked for in Question No. 29, the Question will be removed from the Order paper.

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Mr. Drew asked the following Question (No. 30):—

1. What persons other than Civil Servants of the Province of Ontario were engaged by the Government to prepare or assist in preparing the submission of the Province of Ontario to the Rowell Commission. 2. What amount has been paid to each of such persons. 3. What amount remains to be paid to each of such persons.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

1. Daniel W. Lang, K.C., preparation and presentation of brief; Professor K. Taylor, economist, preparation and presentation of brief; G. Gathercoal, Statistician, preparation of brief; J. Rosenfeld, junior counsel, assisting Mr. Lang. 2. Daniel W. Lang, K.C., fee, \$4,750; disbursements, \$377.32; total, \$5,127.32. Professor K. Taylor, \$3,348.50. G. Gathercoal, \$400. J. Rosenfeld, \$300. 3. No amounts remain to be paid.

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On motion of Mr. Drew, seconded by Mr. Macaulay,

*Ordered*, That there be laid before this House a Return showing: 1. Copies of any agreements entered into since March 1st, 1938, by the Minister under The Forest Regulations Act, 1936. 2. Copies of any regulations or Orders-in-Council passed since March 1st, 1938, granting or cancelling any timber concessions or limits in the Province of Ontario.

Mr. Drew moved, seconded by Mr. Macaulay,

That a Select Committee of this House be appointed to investigate, inquire into, and report upon all matters pertaining to the administration, licensing, sale, supervision and conservation of natural resources by the Department of Lands and Forests.

And a debate having ensued,

It was on the motion of Mr. Drew,

*Ordered*, That the Debate be adjourned.

His Honour the Lieutenant-Governor entered the Chamber of the Legislative Assembly and took his Seat upon the Throne.

Mr. Speaker then addressed His Honour as follows:—

*May it please Your Honour:*

The Legislative Assembly of the Province has, at its present Sittings, passed certain Bills to which, on behalf and in the name of the said Assembly, I respectfully request Your Honour's Assent.

The Clerk Assistant then read the titles of the Acts that had passed as follows:—

An Act to amend The Mining Act.

The Mortgagors' and Purchasers' Relief Act, 1939.

An Act to amend The Registry Act.

An Act to amend The Industrial Standards Act.

An Act to amend The Apprenticeship Act.

An Act to amend The Pharmacy Act.

An Act to amend The Venereal Diseases Prevention Act.

An Act to amend The Public Hospitals Act.

An Act to amend The Cemetery Act.

An Act respecting Agricultural Societies.

An Act to Confirm Tax Sales.

An Act to amend The Tile Drainage Act.

An Act to amend The Judicature Act.

An Act to amend The Workmen's Compensation Act.

An Act to amend The Public Health Act.

An Act to amend The Farm Products Grades and Sales Act.

An Act to amend The Farm Products Control Act.

An Act to amend The Psychiatric Hospitals Act.

The Athletic Commission Act, 1939.

An Act to amend The Crown Timber Act.

An Act to amend The Law Society Act.

The Corporations Tax Act, 1939.

The Security Transfer Tax Act, 1939.

The Race Tracks Tax Act, 1939.

To these Acts the Royal Assent was announced by the Clerk of the Legislative Assembly in the following words:—

“In His Majesty’s name, His Honour the Lieutenant-Governor doth assent to these Acts.”

His Honour was then pleased to retire.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of The Milk Control Board of Ontario for year ending December 31st, 1938. (*Sessional Papers No. 47.*)

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The House then adjourned at 5.05 p.m.

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MONDAY, APRIL 17TH, 1939

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PRAYERS.

3 O’CLOCK P.M.

On motion by Mr. Sinclair, seconded by Mr. Ballantyne,

*Ordered*, That notwithstanding failure to comply with Rule Number 63 of this House regarding the advertising of intention to petition for a private bill, leave be given to present a petition of the Village of Lion’s Head, and that the same be now read and received, and that the provisions of Rule No. 63 be suspended so far as they apply to this motion.

The following Petition was read and received:

Of the Corporation of the Village of Lion’s Head, praying that an Act may pass to constitute the Village as a Township for the purpose of Part 4 of *The Power Commission Act*



On motion by Mr. Sinclair, seconded by Mr. Ballantyne,

*Ordered*, That notwithstanding the time for introducing private bills has elapsed, leave be given to introduce a Bill respecting the Village of Lion's Head, and that the same be now read a first time and do stand referred direct to the Committee on Private Bills irrespective of a report from the Committee on Standing Orders or posting in the Lobby and that the provisions of Rules No. 66 and No. 75 of this House be suspended so far as they relate to this motion.

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The following Bills were severally introduced and read the first time:—

Bill (No. 87), intituled, "An Act to amend The Workmen's Compensation Act." *Mr. Hipel*

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 88), intituled, "An Act to amend The Municipal Act. *Mr. Roebuck*.

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 86), intituled, "An Act respecting the Village of Lion's Head. *Mr. Sinclair*.

*Ordered*, That the Bill be referred to the Committee on Private Bills.

Bill (No. 89), intituled, "An Act to amend The Counties Reforestation Act." *Mr. Baker*.

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 90), intituled, "An Act to amend The Embalmers and Funeral Directors Act." *Mr. Baker*.

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 91), intituled, "An Act to amend The Assessment Act." *Mr. Cross*.

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 92), intituled, "The Drainage Law Amendment Act, 1939." *Mr. Campbell* (Sault Ste. Marie).

*Ordered*, That the Bill be read the second time to-morrow.

Bill (No. 93), intituled, "An Act to amend The Liquor Control Act." *Mr. Hepburn* (Elgin).

*Ordered*, That the Bill be read the second time to-morrow.

Mr. Speaker informed the House that the Clerk had received from the Commissioners of Estate Bills their report in connection with Bill (No. 25), An Act respecting the Estate of Margaret Emma Bingham, deceased, and the Toronto General Hospital.

The report was then read by the Clerk at the Table as follows:—

THE SUPREME COURT OF ONTARIO

THE CHIEF JUSTICE OF ONTARIO

Osgoode Hall, Toronto 2,  
April 5th, 1939.

Alex. C. Lewis, Esq.,  
Clerk, Legislative Assembly,  
Parliament Buildings,  
Toronto.

Dear Sir:—

Re Private Bill No. 25, An Act Respecting  
the Estate of Margaret Emma Bingham  
and the Toronto General Hospital.

The undersigned as commissioners of estate bills have considered the above-mentioned bill, and now report thereon.

We direct attention to the fact that their bill is a private bill introduced on the petition of the Trustees of The Toronto General Hospital, and that the executor of the will and the advisory committee appointed by the will to help and advise the executor are not parties to it.

The testatrix, by her will, conferred upon the Board of Trustees of The Toronto General Hospital a broad discretion in carrying out the purpose for which she entrusted the residue of her estate to the Board. This general purpose, however, she herself plainly declared. The object of the present bill is to authorize the Board to disregard the terms of the will and to commit a breach of the trust declared by it.

In cases where a general intention to devote property to charitable purposes can be found in a will, but the particular charitable purpose designated by the will cannot be given effect, the Court has long had jurisdiction, upon this being judicially determined, and upon notice to all interested persons, to permit the carrying out of the general charitable intention in some altered manner to be approved by the Court. By this method effect is given to the general charitable purpose of the donor and no breach of trust is committed.

The effect of the present bill would be to make an arbitrary disposition of the residue of the estate without considering and determining whether the proposed disposition is within the scope of the general intention of the testatrix as expressed by her will, and without consideration of the interests of other persons in whom rights may, in the circumstances, exist.

We therefore beg to report that in our opinion it is not reasonable that the bill should pass into a law.

As witness our respective hands.

R. S. ROBERTSON,  
Commissioner of Estate Bills.  
W. E. MIDDLETON,  
Commissioner of Estate Bills.

On motion by Mr. Lamport, seconded by Mr. Strachan,

*Ordered*, That notwithstanding Rule No. 74 of this House, Bill (No. 25), An Act respecting the Estate of Margaret Emma Bingham and the Toronto General Hospital, be referred to the Committee on Private Bills for consideration and report irrespective of posting in the Lobby and the report thereon of the Commissioners of Estate Bills, and that the provisions of Rules No. 74 and No. 75 be suspended so far as they relate to this motion.

Mr. Challies asked the following Question (No. 7):—

1. What is the total expenditure from July, 1934, to date on (a) Long Lac Diversion Project; (b) Ogoka Diversion Project; by the (a) Hydro-Electric Power Commission; (b) The Government of the Province of Ontario. 2. Are there any further expenditures or obligations due on these projects. If so, give amounts.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

1. (a) Long Lac Diversion Project.....	\$1,092,616.69
(b) Ogoki Diversion Project.....	28,425.95
On (a) By Hydro-Electric Commission.....	\$1,072,640.00
By Government.....	19,976.69
On (b) By Hydro-Electric Commission.....	\$ 28,425.95
By Government.....	Nil

2. Yes.

On (a) Commitments.....	\$139,360.00
On (a) Estimated Additional Amount required to complete...	78,000.00
On (b) Nil.	

NOTE: Expenditures up to January 31st, 1939.

Mr. Drew asked the following Question (No. 27):—

1. What is the total number of persons employed in the Civil Service of Ontario as of March 31st, 1939, (a) Permanent, (b) Temporary; excluding any outside Boards and Commissions and the Liquor Control Board.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

(a) Permanent Staff, 6,321; (b) Temporary Staff, 1,418.

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The Order of the Day for resuming the Adjourned Debate on the Motion that a Select Committee of this House be appointed to investigate, inquire into, and report upon all matters pertaining to the administration, licensing, sale, supervision and conservation of natural resources by the Department of Lands and Forests having been read,

The Debate was resumed, and, after some time, it was on the motion of Mr. Heenan,

*Ordered*, That the Debate be adjourned until to-morrow.

---

The following Bills were severally read the second time:—

Bill (No. 59), An Act to amend The Highway Improvement Act."

Referred to a Committee of the Whole House to-morrow.

Bill (No. 3), An Act respecting the Town of Leaside.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 9), An Act respecting L'Institut Canadien Français de la Cité d'Ottawa.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 17), An Act to authorize the Law Society of Upper Canada to admit Aurélien Bélanger as a Barrister.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 23), An Act respecting the Rideau Club.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 70), The Municipal Amendment Act, 1939.

Referred to a Committee of the Whole House to-morrow.



Bill (No. 75), The Guelph Railway Act, 1939.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 79), An Act to amend The Rural Hydro-Electric Distribution Act.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 80), An Act to amend The Power Commission Act.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 82), An Act to amend The Highway Traffic Act.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 83), The School Law Amendment Act, 1939.

Referred to the Committee of the Whole House to-morrow.

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The Order of the Day for the second reading of Bill (No. 78), The Village of Lion's Head Act, 1939, having been read,

*Ordered*, That the Order be discharged, and that the Bill be withdrawn.

---

The House resolved itself into a Committee, severally to consider the following Bills:—

Bill (No. 2), An Act respecting the City of Chatham.

Bill (No. 10), An Act respecting the Township of Trafalgar.

Bill (No. 11), An Act respecting the City of Toronto.

Bill (No. 16), An Act respecting the Township of Sandwich West.

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the several Bills without amendments.

*Ordered*, That the Bills reported be severally read the third time to-morrow.

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The House again resolved itself into a Committee to consider Bill (No. 64), The Collection Agencies Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

---

The House again resolved itself into a Committee to consider Bill (No. 35), An Act to amend The Coroners' Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

---

The House resolved itself into a Committee to consider Bill (No. 68), An Act to amend The Constables Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

---

The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Annual Report of the Hospitals Division on The Ontario Hospitals for the Mentally Ill, Mentally Defective, Epileptic and Habituate Patients for year ending March 31st, 1938. (*Sessional Papers No. 15.*)

Also, Report of the Secretary and Registrar of the Province of Ontario with respect to the Administration of The Companies Act, The Extra-Provincial Corporations Act, The Mortmain and Charitable Uses Act and The Companies Information Act for year ending March 31st, 1938. (*Sessional Papers No. 33.*)

Also, Report of the Game and Fisheries Department, Ontario, for year ending March 31st, 1938. (*Sessional Papers No. 9.*)

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The House then adjourned at 10.20 p.m.

TUESDAY, APRIL 18TH, 1939

PRAYERS.

3 O'CLOCK P.M.

Mr. Miller, from the Standing Committee on Fish and Game presented their Report which was read as follows and adopted:—

Your Committee beg leave to present to the House the Minutes of their Meetings held during the current Session and recommend that they be printed as an appendix to the Journals of the House.

Mr. Croll, from the Standing Committee on Private Bills, presented their Fifth and Final Report which was read as follows and adopted:—

Your Committee beg to report the following Bills without amendment:—

Bill (No. 21), An Act respecting The Crescent School.

Bill (No. 25), An Act respecting the Estate of Margaret Emma Bingham, deceased, and the Toronto General Hospital.

Bill (No. 86), An Act respecting the Village of Lion's Head.

Your Committee beg to report the following Bills with certain amendments:—

Bill (No. 13), An Act respecting the Township of King.

Bill (No. 14), An Act respecting the Trustee Board of The Presbyterian Church in Canada.

Bill (No. 20), An Act respecting the Township of Etobicoke.

Bill (No. 24), An Act to incorporate the City of Ottawa Superannuation Fund.

Your Committee would recommend that the fees less the penalties and the actual cost of printing be remitted on Bill (No. 14), An Act respecting the Trustee Board of The Presbyterian Church in Canada, on the ground that it relates to a religious institution.

*Ordered*, That the fees less the penalties and the actual cost of printing be remitted on Bill (No. 14), An Act respecting the Trustee Board of The Presbyterian Church in Canada, on the ground that it relates to a religious institution.

The following Bills were passed the third time and were passed:—

Bill (No. 2), An Act respecting the City of Chatham.

Bill (No. 10), An Act respecting the Township of Trafalgar.

Bill (No. 11), An Act respecting the City of Toronto.

Bill (No. 16), An Act respecting the Township of Sandwich West.

Bill (No. 64), The Collection Agencies Act, 1939.

Bill (No. 68), An Act to amend The Constables Act.

Bill (No. 35), An Act to amend The Coroners' Act.

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The Order of the Day for resuming the Adjourned Debate on the Motion, That a Select Committee of this House be appointed to investigate, inquire into and report upon all matters pertaining to the administration, licensing, sale, supervision and conservation of natural resources by the Department of Lands and Forests having been read,

The Debate was resumed, and, after some time, the Motion having been put, was carried, and it was

*Ordered*, That a Select Committee of this House be appointed to investigate, inquire into, and report upon all matters pertaining to the administration, licensing, sale, supervision and conservation of natural resources by the Department of Lands and Forests.

---

The Order of the Day for resuming the Adjourned Debate on the Motion, That Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of Supply, having been read,

The Debate was resumed and, after some time, it was on the motion of Mr. Strachan,

*Ordered*, That the Debate be adjourned until to-morrow.

---

The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of the Department of Health, Ontario, 1938. (*Sessional Papers No. 14.*)

Also, Report of the Department of Public Welfare, Ontario, for period April 1st, 1937, to March 31st, 1938. (*Sessional Papers No. 19.*)

Also, Report of the Ontario Municipal Board for year ending December 31st, 1938. (*Sessional Papers No. 24.*)

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The House then adjourned at 11.45 p.m.





Highways.....	950
Game and Fisheries.....	1,450
Labour.....	1,350
Education.....	1,750
University of Toronto.....	500
Births, Marriages and Deaths.....	450
Department of Health.....	1,700
Ontario Hospital for Mentally Subnormal and Epileptics.....	800
General Hospitals, Hospitals for Incurables, Sanatoria and Red Cross Hospitals.....	1,200
Prisons and Reformatories.....	1,735
Industrial Training Schools.....	2,000
Public Welfare.....	1,650
Liquor Control Board.....	1,450
Department of Agriculture (Minister).....	2,100
Department of Agriculture (Statistics).....	6,450
Temiskaming and Northern Ontario Railway.....	600
Ontario Municipal Board.....	800
Hydro-Electric Power Commission.....	3,750
Provincial Auditor.....	500
Workmen's Compensation Board.....	2,750
Ontario Veterinary College.....	1,950
Northern Development Act.....	700
Provincial Police.....	600
Ontario Research Foundation.....	1,450
Niagara Parks Commission.....	750
Fire Marshal.....	1,450

By unanimous consent of the House Mr. Macaulay moved, seconded by Mr. Drew,

That the House empower the Public Accounts Committee to investigate and instruct Chester S. Walters to appear before the Public Accounts Committee, Thursday next, 10.30 a.m., to give evidence with reference to the item "Interim surplus \$236,036.00" appearing in interim statement of gross ordinary revenue, fiscal year April 1st, 1938, to March 31st, 1939; the item \$95,821,750.00 in interim statement of gross ordinary expenditure for the same fiscal year; the item \$150,872.17 estimated surplus in budget forecast for the fiscal year April 1st, 1939, to March 31st, 1940.

The Motion, having been put, was declared to be lost.

The following Bill was introduced and read the first time:—

Bill (No. 94), intituled, "The Statute Law Amendment Act, 1939." *Mr. Conant.*

*Ordered,* That the Bill be read the second time to-morrow.

Mr. Roebuck asked the following Question (No. 18):—

1. How many acres of mining lands in Ontario are there: (a) Under patent; (b) Under lease; (c) Staked, prior to patent. 2. What is the rate of annual provincial taxation under each division (a), (b) and (c) above. 3. What is the gross amount received by the Provincial Government during the last completed fiscal year under each of the said divisions. 4. Are any of the said taxes presently in arrears. 5. What is the amount of the present arrears, if any. 6. What is the maximum length of time of such arrears. 7. Has there been any change in the rate of such taxation since 1934. 8. What was the amount of such arrears, if any, in 1934. 9. What was the maximum length of time of such arrears in 1934. 10. How many acres have been cancelled for non-payment of taxes in each year since 1924.

The Honourable the Minister of Mines replied as follows:—

1. (a) Figures for this question not available; (b) Approximately 80,000 acres; (c) Approximately 1,357,000 acres. 2. (a) 5c. per acre; (b) 5c. per acre; (c) Nil. 3. (a) \$45,880.95; (b) \$3,526.51; (c) Nil. 4. Yes. 5. (a) Figures for this question not available; (b) Approximately \$14,000.00; (c) Nil. 6. (a) 6 years; (b) 20 years; (c) Nil. 7. No. 8. (a) Figures for this question not available; (b) \$32,132.46; (c) Nil. 9. (a) 15 years; (b) 15 years; (c) Nil. 10. (a) 1924 to 1935, inclusive, Nil; 1936, 65,880 acres; 1937, 39,460 acres; 1938, 36,440 acres; (b) Nil, but 19,198 acres cancelled for arrears of rentals in 1939, and on these there were arrears of taxes amounting to \$27,928.

Mr. Kidd asked the following Question (No. 39):—

1. What are the total grants paid (a) Toronto University; (b) Western University; (c) Queen's University, for the fiscal year ending March 31st, 1938; (d) For the fiscal year ending March 31st, 1939.

The Honourable the Minister of Education replied as follows:—

	(d) For the fiscal year ending March 31st, 1938	For the fiscal year ending March 31st, 1938
(a) Toronto University (including Royal Ontario Museum).....	\$1,974,660.93	\$2,035,776.67
(b) Western University.....	285,000.00	285,000.00
(c) Queen's University.....	275,000.00	275,000.00

Mr. Kidd asked the following Question (No. 40):—

1. What were the total grants made by the Government for: (a) The fiscal year ending March 31st, 1938; (b) The fiscal year ending March 31st, 1939, for the following purposes—(a) Public School grants, (b) Separate School grants, (c) High School and Collegiate grants, (d) Agricultural School grants, (e) Vocational School grants, (f) University grants or other assistance.

The Honourable the Minister of Education replied as follows:

	(a) Public Schools grants	(b) Separate Schools grants	(c) High Schools and Collegiate Inst. grants
Total grants paid by the Government:			
(a) Fiscal year ending March 31st, 1938.....	\$3,189,940.23	\$746,631.69	\$635,177.25
(b) Fiscal year ending March 31st, 1939.....	3,790,609.22	910,208.18	794,325.14
	(d) Agricultural School grants	(e) Vocational School grants	(f) University grants or other assistance, in- cluding Royal Ontario Museum
Total grants paid by the Government:			
(a) Fiscal year ending March 31st, 1938.....	\$225,542.43	\$1,223,355.77	\$2,534,660.93
(b) Fiscal year ending March 31st, 1939.....	295,387.97	1,512,483.71	2,595,776.67

NOTE:—The grants for Agriculture for elementary schools are included in the totals for Public and Separate Schools, and Secondary Schools included in the total for Vocational Schools.

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The Order of the Day for resuming the Adjourned Debate on the Motion, That Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of Supply, having been read,

The Debate was resumed and, after some time, it was on the motion of Mr. Doucett,

*Ordered*, That the Debate be adjourned until to-morrow.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of The Ontario Research Foundation for the year ending December 31st, 1938. (*Sessional Papers No. 48.*)

Also, Report of the Ontario Athletic Commission for year ending March 31st, 1938. (*Sessional Papers No. 35.*)

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The House then adjourned at 11.30 p.m.



THURSDAY, APRIL 20TH, 1939

PRAYERS.

3 O'CLOCK P.M.

Mr. Carr, from the Standing Committee on Municipal Law, presented their Report which was read as follows and adopted:—

Your Committee has carefully considered the provisions of Bills Numbered 60 and 66 to amend The Municipal Act, and such of their provisions as have been approved have been embodied in a Bill, intituled, "The Municipal Amendment Act, 1939."

Your Committee has carefully considered the provisions of Bills Numbered 50 and 57 to amend The Assessment Act, and such of their provisions as have been approved have been embodied in a Bill intituled "The Assessment Amendment Act, 1939."

Your Committee has carefully considered the following Bill and begs to report the same with certain amendments:—

Bill (No. 71), An Act to amend The Public Health Act.

Your Committee has also carefully considered Bills Numbered 72 and 74 to amend The Municipal Act and recommend that the same be not further proceeded with.

The following Bills were severally introduced and read the first time:—

Bill (No. 95), intituled, "The Unemployment Insurance Act, 1939." *Mr. Hipel.*

*Ordered,* That the Bill be read the second time to-morrow.

Bill (No. 96), intituled, "An Act respecting Credit Unions." *Mr. Conant.*

*Ordered,* That the Bill be read the second time to-morrow.

Bill (No. 97), intituled, "An Act respecting a Company to be known as The Southern Algoma Railway Company." *Mr. Hepburn (Elgin).*

*Ordered,* That the Bill be read the second time to-morrow.

Mr. Reynolds asked the following Question (No. 16):—

1. What amount has been expended for approaches, bridges and highway in connection with the Thousand Islands International Bridge project. 2. Were

tenders called for such work. What tenders were received and who were the successful tenderers. 3. What work, if any, was done without tender.

The Honourable the Minister of Highways replied as follows:—

1. \$74,651.87—Work on mainland and Hill Island (grading only). 2. Provided for in Contract No. 37-117. Note Question 3. 3. Work done as an extension to Contract No. 37-117—Campbell Construction Company, at their tendered prices.

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Mr. Murphy asked the following Question (No. 19):—

1. What is the total cost of the centre road from Brown's Line to the Town of Burlington from November 1st, 1934, to date; (a) What is the total mileage; (b) Who are the contractors who performed the work.

The Honourable the Minister of Highways replied as follows:

1. 3,025,172.89 including bridges and other structures and property acquired; (a) 23.6 miles; (b) Archibald & Birdsall, Curran & Briggs, Warren Bituminous Paving Company, W. G. Campbell Eng. & Construction Company, R. Honsberger Construction Company, Honsberger Construction Company, Dufferin Paving Company, A. Cope & Sons Ltd., Vernon Construction Company, Carter-Halls Aldinger Company, W. A. Mackey, H. M. Scott Limited, Patterson Paving Company.

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Mr. Murphy asked the following Question (No. 20):—

1. What date was the work commenced on Highway No. 2, from the east limit of the City of Belleville to the east limit of the four-lane highway; (a) Was the work done by contract or day labour; (b) What work is contemplated on this section this year; (c) What is the total cost of the work to date.

The Honourable the Minister of Highways replied as follows:

1. July 2nd, 1936; (a) Grading and structures by contract—fencing and metalling, day labour; (b) No decision as to paving pending further study of new grade as to settlement; (c) \$173,170.97 including property and structures.

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Mr. Murphy asked the following Question (No. 21):—

1. What is the total cost for the grading and culvert construction on new four-lane highway in Ontario County; (a) Were there any extensions on the original contract; (b) Who are the contractors.

The Honourable the Minister of Highways replied as follows:—

1. \$885,007.20; (a) No; (b) Northland Contracting Company, Limited, Don Construction Limited, The Bergman Construction Company, Limited.

Mr. Arnott asked the following Question (No. 31):—

1. Who constitute the staff of the office of the Public Trustee, and what salaries do they receive. 2. What fees were received through the Public Trustee's Office during the years 1937, 1938 and 1939. 3. Upon whose recommendation does the Public Trustee retain solicitors to represent him outside of Toronto. 4. What firms or solicitors have represented the Public Trustee in Ontario county towns during 1937 and 1938.

The Honourable the Attorney-General replied as follows:

1. Name—	Yearly Salary	Permanent or Temporary
Middleton, A. N.....	\$6,000	Permanent
Jones, H. S.....	3,750	Permanent
Mainer, R. C.....	3,450	Permanent
Adams, G. F.....	1,900	Permanent
Clark, H. S.....	1,800	Permanent
Walker, C.....	1,600	Permanent
Winkler, S.....	1,800	Permanent
Draper, I. N.....	2,200	Permanent
Williams, B. G.....	1,900	Permanent
McCrea, R.....	1,600	Permanent
Maginnis, P.....	2,000	Permanent
Puley, P. M.....	2,400	Permanent
Jordan, J. S.....	1,900	Permanent
Butler, M. G.....	1,300	Permanent
Hindle, C. G.....	1,600	Permanent
Gelinas, E. A.....	1,125	Permanent
Koznets, D.....	1,050	Permanent
Cook, S. F.....	825	Permanent
Lundy, J. S.....	900	Permanent
Thurgarland, M. E.....	1,500	Permanent
Wixon, H.....	1,500	Permanent
Carr, M. H.....	1,500	Permanent
Dawson, E. M.....	1,125	Permanent
Williamson, M.....	1,050	Permanent
Thomas, J. R.....	900	Permanent
Brimstin, A. I.....	900	Permanent
Weaver, E. L.....	900	Permanent
Hargott, M. E.....	900	Permanent
Parisani, D.....	825	Permanent
Simpson, E. B.....	975	Permanent
Barlow, G. E.....	900	Permanent
Marshment, P. L.....	1,050	Permanent
Cowan, R.....	\$15 per week	Temporary
2. Fiscal Year—1936–1937.....	\$39,563.63	
1937–1938.....	38,773.91	
1938–1939.....	49,567.15	
3. The Attorney-General for Ontario.		

4. See list of Agents attached.

LIST OF AGENTS, 1937

Agent	Alternative
Amherstburg.....	H. T. Hough
Aurora.....	Lorne C. Lee
Barrie.....	D. F. McCuaig, K.C.....
Belleville.....	M. Wright.....
	{ F. Hammond, K.C. A. R. Cameron Donnan & Butler
Blind River.....	Arthur A. Wishart
Bracebridge.....	E. W. Clairmont (Graven-
	hurst).....
	R. M. Thomas
Brampton.....	C. H. Bowyer, K.C.....
	E. MacCauley Dillon (Toronto)
Brantford.....	E. R. Read, K.C.....
	W. R. Macdonald, K.C.
Brockville.....	D. E. Lewis, K.C.....
	L. V. Fitzpatrick, K.C.
Campbellford.....	J. F. R. Douglas.....
	J. B. McColl (Cobourg)
Carleton Place.....	Findlay & Findlay
Cayuga.....	Colter & Colter.....
	C. J. Adams (Dunnville)
Chatham.....	Grosch & Bell (for Co. Kent)
Clinton.....	F. Fingland
Cobourg.....	J. B. McColl.....
	J. F. R. Douglas (Campbell- ford)
Cochrane.....	J. A. Duranceau
Cornwall.....	Lionel Chevrier, M.P.....
	A. E. Hall
East Windsor.....	{ P. E. Lanore E. G. Lynch
Essex.....	A. H. Plant
Fort Frances.....	N. L. Croome.....
	A. G. Murray, K.C.
Fort William.....	Dowler & Dowler
Galt.....	J. B. Dalzell, K.C.....
	J. M. Jamieson
Georgetown.....	LeRoy Dale, K.C.
Geraldton.....	A. C. Schwartz
Glencoe.....	W. D. J. Moss
Goderich.....	L. E. Dancey, K.C.
Gore Bay.....	J. H. Craig.....
	W. J. Golden (Little Current)
Gravenhurst.....	E. W. Clairmont, K.C.
Guelph.....	R. S. Clark, K.C.....
	Ralph C. Bone
Haileybury.....	J. A. Legris, K.C.....
	Ralph Ramsden (New Liskeard)
Hamilton.....	{ G. A. Snyder John A. Soule, K.C. }
	L. McCombs
Harriston.....	J. H. Shannon
Ingersoll.....	Royden G. Start
Kenora.....	Earle C. Popham
Kingston.....	J. C. Reynolds, K.C.....
	Cartwright & Cartwright
Kirkland Lake.....	M. G. Hunt, K.C.
Kitchener.....	G. M. Bray.....
	H. J. Sims, K.C.
Lindsay.....	A. M. Fulton, K.C.....
	A. T. Lacey
Little Current.....	W. J. Golden



	Agent	Alternative
London.....	{ J. F. McMillan J. G. Gillanders, K.C. }	Joseph Jeffery (work in Middlesex outside of London), D. MacCallum (alt. second to Jeffery).
L'Orignal.....	Henri Proulx.....	R. Labrosse (Vankleek Hill)
Meaford.....	Colin E. Bennett	
Milton.....	W. I. Dick, K.C.	
Mount Dennis.....	F. A. Silverman (sub-agent for Toronto)	
Mount Forest.....	R. O. Kilgour	
Napanee.....	G. F. Smith.....	W. S. Herrington, K.C.
Newmarket.....	Joseph Vale	
Niagara Falls.....	Alex. Fleming	
North Bay.....	E. A. Tilley	
Oakville.....		W. N. Robinson, K.C. (Halton County)
Orangeville.....	D. E. Dean (Shelburne)	
Oshawa.....	A. F. Annis.....	R. A. Wallace
Ottawa.....	John P. Madden	
Owen Sound.....	W. P. Telford, K.C.	
Paisley.....	D. Forrester, K.C.	
Parry Sound.....	A. D. Meldrum.....	H. E. Stone, K.C.
Pembroke.....	J. G. Forgie.....	T. Mulcahy
Perth.....	Hugh C. Willson.....	H. A. O'Donnell
Peterborough.....	Hall, Hall & Stevenson.....	Hall & Carley
Petrolia.....	E. A. Shaunessy.....	I. Greenizen, K.C.
Port Arthur.....	P. V. Ibbetson.....	A. J. McComber, K.C.
Port Dover.....	M. Macdonald (Alt. for Simcoe)	
Port Elgin.....	W. R. Tomlinson, M.P.	
Port Hope.....	D. H. Chisholm, K.C.	
Preston.....	P. J. Flynn	
St. Catharines.....	Frank J. Flynn.....	R. B. Johnston, K.C.
St. Thomas.....	E. Donald Smith.....	J. R. Davidson, K.C.
Sarnia.....	R. W. Gray, K.C.....	N. S. Gurd, K.C.
Sault Ste. Marie.....	H. S. Hamilton, K.C.....	{ Jas. McEwen W. S. Maguire, K.C.
Shelburne.....	D. E. Dean	
Simcoe.....	W. M. Macdonald (Port Dover).....	A. A. Winter, K.C.
Smith's Falls.....	Donald C. Smith	
Stratford.....	J. M. King.....	J. M. Riddell, K.C.
Sturgeon Falls.....	J. A. Cousineau (Timmins)	
Sudbury.....	G. E. Buchanan, K.C.	
Thessalon.....	F. A. Clement	
Toronto.....	James E. Day, K.C.....	{ H. H. Donald F. A. Silverman (Mt. Dennis)
Swansea.....	C. C. Downey	
Timmins.....	T. A. Macdonald.....	D. Kester, K.C.
Vankleek Hill.....	R. LaBrosse.....	H. Proulx (L'Orignal)
Walkerton.....	McNab & McNab	
Welland.....	R. Boak Burns	
Weston.....	J. H. Gray	

	Agent	Alternative
Windsor.....	W. E. Kelly.....	{ W. J. S. Knox Keith Laird
Wingham.....	R. S. Hetherington	
Woodstock.....	F. L. Pearson, K.C.	

## LIST OF AGENTS, 1938

The only changes from 1937 are as follows:—

	Agent	Alternative
Fort William.....	A. H. Dowler—made a County Judge	
Galt.....	J. M. Jamieson.....	J. B. Dalzell, K.C.
Kenora.....	L. A. McLennan instead of E. C. Popham appointed Judge.	
Kingston.....	Herrington & Slater.....	Cartwright & Cartwright
Peterborough.....	R. J. Carley.....	W. B. Gordon
Port Arthur.....	{ P. V. Ibbetson M. McComber appointed Judge	
Toronto.....	James E. Day, K.C.....	{ H. H. Donald F. A. Silverman (Mt. Dennis) J. M. McIntosh (2nd alt.)

Mr. Macaulay asked the following Question (No. 33):—

How much was paid by the Government during the fiscal year ending March 31st, 1938, for cutting grass and weeds on the King's Highways.

The Honourable the Minister of Highways replied as follows:—

The total expenditure for Roadside Maintenance amounts to \$227,453.05 which covers the cutting of grass, hay or weeds, removing leaves and papers and other debris, reseeding and replanting, the trimming of trees and shrubs, etc. This is an average of \$32.57 per mile.

Mr. Spence asked the following Question (No. 35):—

1. (a) Did the Minister of Lands and Forests give his consent to the transfer of control of the Nipigon Corporation, Limited, from the Canadian International Paper Company, Limited, to the Lake Sulphite Company, Limited; (b) Upon what date was such consent granted; (c) Were the terms of the original agreement made and entered into on January 30th, 1926, between the Crown and the Nipigon Corporation, Limited, in any respect or manner changed or modified, and if so in what respect or respects and to what extent in each case; (d) Is the \$50,000.00 deposit called for in Paragraph 5 of the original agreement still on deposit with the Government or has the amount been reduced by charges due the Government, if so by what amount has the original sum been reduced and on account of what charges were such reductions made; (e) Has the \$200,000.00

guarantee company bond required by the terms of Paragraph 5 of the original agreement been maintained in full effect and if not when was it permitted to lapse or become ineffective; if still in effect upon what date does it expire and what is the name of the guarantee company in whose name it is drawn; (f) What steps has the Government taken since the default of the Nipigon Corporation to enforce the guarantee company bond or to declare the \$50,000.00 cash deposit forfeit to the Crown.

The Honourable the Minister of Lands and Forests replied as follows:—

1. (a) No; (b) See answer to (a); (c) Yes; see agreement printed in Minister's report for fiscal year ending 31st March, 1938, pages 77 to 80 inclusive; (d) \$50,000.00 is still on deposit; (e) No; bond as required by terms of original agreement dated 30th January, 1926, never lodged. Former Government never compelled production of Bond; (f) (1) See answer to (e); (2) Cash of \$50,000.00 is retained on deposit by present Government under agreement referred in answer to (c).

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Mr. Downer asked the following Question (No. 43):—

1. What is the salary of Mr. Purdom F. Love, Publicity Representative, Department of Agriculture.

The Honourable the Minister of Agriculture replied as follows:—

1. The salary of Mr. Purdom F. Love, Editor of Publications, Department of Agriculture, is \$2,000 a year.

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Mr. Downer asked the following Question (No. 45):—

1. How much was spent on maintenance and construction of Provincial Highway Number 24, from Shelburne to Collingwood, during the past year.
2. How much was spent on snow removal on Provincial Highway Number 24 from Shelburne to Collingwood during the past fiscal year.

The Honourable the Minister of Highways replied as follows:—

1. Maintenance, \$23,836.77; construction, \$2,075.23.
  2. \$10,929.45—includes snow removal, sanding and purchase of snow fence.
- 

Mr. Roebuck asked the following Question (No. 41):—

What was the amount of electrical energy measured in kilowatt hours purchased and generated and sold by the Hydro-Electric Power Commission of Ontario in its Niagara System during the year ending 31st October, 1938, giving totals for both purchased and that generated.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

Total energy purchased, 1938.....1,828,798,430 kilowatt hours  
Total energy generated, 1938.....3,598,743,350 kilowatt hours\*

\*Energy generated materially curtailed owing to protracted shutdown of Ontario Power Plant.

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The Honourable the Minister of Highways required that Question (No. 17) be made the subject of a Motion for a Return.

On motion by Mr. Reynolds, seconded by Mr. Dunbar,

*Ordered*, That there be laid before this House a Return showing: 1. Who are or were the contractors in charge of the construction of the new double lane highway from the Town of Gananoque to the double lane highway that extends about five miles west from the Town of Brockville. 2. Were tenders advertised for by the Department of Highways for all such work. 3. If so, who submitted tenders, and what was the amount of each tender received. 4. If not, what method was adopted by the Department in selecting Contractors to undertake the work. 5. What amount has been paid to each of the contractors by tender up to the present time. 6. What amount has been paid to each contractor without tender up to the present time. 7. What portion of the said highway has been completed. 8. What is the estimated cost of the completion of the highway. 9. When will the said highway be completed. 10. Were any of the original contracts extended, if so when and upon what basis was such extension made. How much has been paid on each extension. 11. From whom were lands purchased for right of way for the new double lane highway from the Town of Gananoque to the double lane that extends about five miles west of the Town of Brockville. What was the acreage and amount paid in each case. 12. What parcels were secured by (a) Expropriation; (b) Negotiations. 13. How much was expended for the removal of buildings at or adjacent to the right of way, giving the names and amounts paid to such owners. 14. Have payments been completed to all owners. If not, why not.

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The Honourable the Prime Minister pointed out that the preparation of answers to Questions (No. 34 and 36) would require an amount of time and labour that would not be justified and on his motion the said Questions were ordered to be removed from the Order Paper.

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The Order of the Day for resuming the Adjourned Debate on the Motion that Mr. Speaker do now leave the Chair, and that the House resolve itself into the Committee of Supply, having been read,

The Debate was resumed, and, after some time,



Mr. Kidd moved in Amendment, seconded by Mr. Murphy, That all the words of the Motion after the word "That" be struck out and the following substituted therefor:—

"This House regrets the failure of the Government to reduce taxation and to deal with the serious unemployment in this Province."

And the Amendment having been put, was lost on the following Division:—

## YEAS

Acres	Elgie	Macaulay
Arnott	Frost	Murphy
Black	Henry	Reynolds
Challies	Hepburn	Spence
Doucett	(Prince Edward-Lennox)	Stewart
Drew	Kennedy	Summerville
Duckworth	Kidd	Welsh—21
Dunbar		

## NAYS

Anderson	Dickson	Leduc
Baker	Elliott	Macfie
Ballantyne	Fairbank	MacGillivray
Bégin	Fletcher	MacKay
Bélanger	Freeborn	Mercer
Bethune	Gallagher	Miller
Blakelock	Gardhouse	Murray
Bradley	Glass	McEwing
Brownridge	Gordon	McQuesten
Campbell	Guthrie	Newland
(Sault Ste. Marie)	Habel	Nixon
Campbell	Hagey	(Brant)
(Kent, East)	Haines	Nixon
Carr	Heenan	(Temiskaming)
Cholette	Hepburn	Oliver
Conacher	(Elgin)	Patterson
Conant	Hipel	Roebuck
Cooper	Hunter	Simpson
Croll	King	Smith
Croome	Kirby	Strachan
Cross	Lamport	Trottier—59.
Dewan		

## PAIRS

Baird	—	Duncan
Downer	—	Houck

The Main Motion having then been put, was carried on the following Division:—

## YEAS

Anderson	Dickson	Leduc
Baker	Elliott	Macfie
Ballantyne	Fairbank	MacGillivray
Bégin	Fletcher	Mackay
Bélanger	Freeborn	Mercer
Bethune	Gallagher	Miller
Blakelock	Gardhouse	Murray
Bradley	Glass	McEwing
Brownridge	Gordon	McQuesten
Campbell	Guthrie	Newland
(Sault Ste. Marie)	Habel	Nixon
Campbell	Hagey	(Brant)
(Kent, East)	Haines	Nixon
Carr	Heenan	(Temiskaming)
Cholette	Hepburn	Oliver
Conacher	(Elgin)	Patterson
Conant	Hipel	Roebuck
Cooper	Hunter	Simpson
Croll	King	Smith
Croome	Kirby	Strachan
Cross	Lamport	Trottier—59.
Dewan		

## NAYS

Acres	Elgie	Macaulay
Arnott	Frost	Murphy
Black	Henry	Reynolds
Challies	Hepburn	Spence
Doucett	(Prince Edward-Lennox)	Stewart
Drew	Kennedy	Summerville
Duckworth	Kidd	Welsh—21.
Dunbar		

## PAIRS

Duncan	—	Baird
Houck	—	Downer

The House according to Order, resolved itself into the Committee of Supply.

(In the Committee)

*Resolved*, That there be granted to His Majesty, for the services of the year ending March 31st, 1940, the following sum:—

131. To defray the expenses of the Office of Lieutenant-Governor... \$10,000.00

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had come to a certain Resolution; also, That the Committee had directed him to ask for leave to sit again.

*Ordered*, That the Report be received.

*Resolved*, That the Committee have leave to sit again to-morrow.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Annual Report of The Niagara Parks Commission, 1936 and 1937.  
(*Sessional Papers No. 40.*)

Also, Return to an Order of the House dated 14th April, 1939, That there be laid before the House a Return of: 1. Copies of any agreements entered into since March 1st, 1938, by the Minister under The Forest Regulations Act, 1936. 2. Copies of any regulations or Orders-in-Council passed since March 1st, 1938, granting or cancelling any timber concessions or limits in the Province of Ontario.  
(*Sessional Papers No. 49.*)

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The House then adjourned at 11.50 p.m.

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## FRIDAY, APRIL 21st, 1939

PRAYERS.

3 O'CLOCK P.M.

Mr. Drew asked the following Question (No. 32):—

1. With what Insurance Companies does the Liquor Control Board place its insurance. 2. In what amounts with each company. 3. Through what agencies were the insurance policies issued. 4. What premiums were paid during the fiscal year ending March 31st, 1939, to each of these agencies.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

1. Name of Insurance Companies	2. Amounts with each Company	3. Name of Agencies
Alliance Insurance Co. of Philadelphia	Marine Insurance on Import Shipments	E.S. Little Insurance Agency, Toronto, Ont.
Dominion of Canada General Insurance Co.	Burglary and Hold-Up Insurance— \$464,050	G. Angus German, Limited, Toronto Ont.
Dominion of Canada General Insurance Co.	Automobile Non-ownership Liability— Maximum \$40,000	G. Angus German, Limited, Toronto, Ont.

1.	2.	3.
Name of Insurance Companies	Amounts with each Company	Name of Agencies
General Accident Assurance Co. of Canada	Elevator Liability—Maximum \$10,000	C. E. Thomson & Co., Hamilton, Ont.
The Globe Indemnity Co. of Canada	Elevator Liability—Maximum \$10,000	The O'Brien Agency, Fort William, Ont.
Guardian Insurance Co. of Canada	Elevator Liability—Maximum \$25,000	M. D. Richardson, Toronto
Indemnity Insurance Co. of North America	Elevator Liability—Maximum \$10,000	G. Angus German, Limited, Toronto, Ont.
Indemnity Insurance Co. of North America	Depositors Forgery Bond—Maximum \$50,000	G. Angus German, Limited, Toronto, Ont.
Lloyds—Anglo-Canadian Underwriters Ltd.	Automobile Fleet Insurance— Fire and Theft—Maximum \$6,700 Public Liability—Maximum \$40,000 Property Damage—Maximum \$5,000 Collision—Amount of damage less \$100	G. Angus German, Limited, Toronto, Ont.
London Guarantee & Accident Co., Limited	Employees Fidelity Bond—\$1,445,000	T. W. Foran, Toronto, Ont.
The Ocean Accident & Guarantee Corp., Ltd.	Elevator Liability—Maximum \$10,000	C. Pothier & Son, Ottawa, Ont.
The Western Assurance Company	Inland Cargo Insurance \$1,237,065.21	Romeyn & Co., Ltd., Toronto, Ont.
4. Premiums paid during year ending March 31st, 1939		Name of Agencies
\$4,565.66	.....	E. S. Little Insurance Agency, Toronto
802.38	.....	G. Angus German, Limited, Toronto
1,814.14	.....	T. W. Foran, Toronto
371.12	.....	Romeyn & Co., Limited, Toronto

The Order of the Day for the second reading of Bill (No. 93), An Act to amend The Liquor Control Act, having been read,

And a Debate having arisen, after some time, the Motion having been put, was carried on the following Division:—

## YEAS

Anderson	Dickson	Macfie
Baker	Elliott	MacGillivray
Ballantyne	Fairbank	MacKay
Bélanger	Freeborn	Mercer
Bethune	Gallagher	Miller
Blakelock	Gardhouse	Murray
Bradley	Glass	McQuesten
Campbell (Sault Ste. Marie)	Habel	Newland
	Hagey	Nixon (Brant)
Carr	Haines	
Cholette	Heenan	Nixon (Temiskaming)
Conacher	Hepburn (Elgin)	
Conant		Patterson
Cooper	Hipel	Roebuck
Croll	Hunter	Simpson
Croome	Lamport	Smith
Cross	Leduc	Trottier—48.
Dewan		



## NAYS

Black	Frost	Macaulay
Doucett	Henry	Reynolds
Drew	Kennedy	Stewart
Duckworth	Kidd	Summerville—12.

And the Bill was accordingly read the second time and was referred to the Committee of the Whole House on Monday next.

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The Order of the Day for the second reading of Bill (No. 61), An Act to amend The Companies Act, having been read,

*Ordered.* That the Order be discharged, and that the Bill be withdrawn.

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The following Bills were severally read the second time:—

Bill (No. 97), An Act respecting a Company to be known as The Southern Algoma Railway Company.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 84), An Act to amend The Municipal Subsidy Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 85), An Act to amend The Game and Fisheries Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 87), An Act to amend The Workmen's Compensation Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 91), An Act to amend The Assessment Act.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 94), The Statute Law Amendment Act, 1939.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 13), An Act respecting the Township of King.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 14), An Act respecting the Trustee Board of The Presbyterian Church in Canada.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 20), An Act respecting the Township of Etobicoke.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 21), An Act respecting Crescent School.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 24), An Act to incorporate the City of Ottawa Superannuation Fund.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 25), An Act respecting the Estate of Margaret Emma Bingham and the Toronto General Hospital.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 86), An Act respecting the Village of Lion's Head.

Referred to a Committee of the Whole House on Monday next.

Bill (No. 89), An Act to amend The Counties Reforestation Act.

Referred to the Committee of the Whole House on Monday next.

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The House resolved itself into a committee, severally to consider the following Bills:—

Bill (No. 3), An Act respecting the Town of Leaside.

Bill (No. 9), An Act respecting L'Institut Canadian Français de la Cité d'Ottawa.

Bill (No. 17), An Act to authorize the Law Society of Upper Canada to admit Aurélien Bélanger as a Barrister.

Bill (No. 23), An Act respecting the Rideau Club.

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had direct him to report the several Bills without amendments.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Preliminary Report on The Mineral Production in Ontario in 1938.  
(*Sessional Papers No. 50.*)

Also, Report of The Niagara Parks Commission for year ending March 31st, 1938. (*Sessional Papers No. 51.*)

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The House then adjourned at 5.00 p.m.

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MONDAY, APRIL 24TH, 1939

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PRAYERS.

3 O'CLOCK P.M.

On motion by Mr. Conant, seconded by Mr. Drew,

*Ordered*, That there be added to Rule Number 63 of the Revised Rules adopted by this House on Monday, April 3rd, of the present year, the following Section:—

(2) Except with the unanimous consent of the House, no petition for a Private Bill shall be received by nor shall any Bill be introduced in the House, the purpose of which is to admit any person to the practice of law or medicine or any other profession contrary to the laws governing and the rules and regulations of the Law Society of Upper Canada as regards the practice of law, or the laws governing and the rules and regulations of the Colleges and Universities incorporated under the laws of this Province as regards other professions for graduation in which proper courses of study and qualifications are prescribed by such Colleges and Universities.

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The following Bill was introduced and read the first time:—

*Bill* (No. 98), intituled, "An Act for raising Money on the Credit of the Consolidated Revenue Fund." *Mr. Hepburn* (Elgin).

*Ordered*, That the Bill be read the second time to-morrow.

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Mr. Stewart asked the following Question (No. 37):—

Has the Government provided courses of instruction in primary and second-

ary schools to feature the teaching of what the Crown and the Flag typifies and the duties and privileges of citizenship under democracy. If so, to what extent.

The Honourable the Minister of Education replied as follows:—

Courses of Study provide for instruction regarding the Crown, the British Empire, and citizenship under democracy. THE GENERAL REGULATIONS FOR PUBLIC AND SEPARATE SCHOOLS make special provision for instruction regarding the Flag. The Regulation reads:

“(9) The School Flag shall be flown on Public Holidays and on such other occasions as the Board may determine. When not so flown, it shall be displayed on the wall of the schoolroom; and, as opportunity may offer, its history and significance shall be suitably explained to the pupils by the teacher. When there are more rooms than one, the Board may determine in which of them the flag is to be displayed or it may provide a flag for each room.”

The Courses of Study in junior grades places chief emphasis upon the attributes of the good citizen. In senior elementary grades, Canadian and British History form a background for the study of such topics as the Maintenance of Democracy and Bonds of Unity in the British Commonwealth. Listed among these bonds are Loyalty to One King, and Common Love of freedom, justice and democracy.

The Grade IX Course in High School includes the study of the British Empire, the significance of the Coronation, and British confidence in liberty and democratic institutions. A very detailed course in Citizenship is outlined for Grade X under three headings: (1) Citizenship, its Privileges and Responsibilities, (2) The Meaning and Purpose of Democratic Government, and (3) The Machinery of Canadian Government.

The Empire Day Leaflet distributed to all schools in 1938 had as its themes the duties of citizenship and the significance of the Union Jack.

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Mr. Stewart asked the following Question (No. 38):—

1. (a) Has the Department of Education of Ontario approved of the use of the History Book entitled “Britain’s History,” The Kingsway Histories from the Age of Elizabeth to Modern Times, by E. Wynn Williams, B.A., carrying a statement in the fly leaf (revised and adapted for Canadian Schools), by J. L. Gill and R. F. S. Baird, instructors in the University of Toronto Schools; (b) If so, why. 2. What features merit the approval of the Department. 3. What checks are set up by the Department to examine books before they are approved.

The Honourable the Minister of Education replied as follows:—

1. (a) “Britain’s History,” by G. M. Wrong, and published by The Copp Clark Co., Ltd., is the text-book authorized in History for Grade IX. “Britain’s Story,” by E. Wynn Williams, revised by J. L. Gill and R. F. S. Baird, is not an



authorized text-book, but it is listed in the Course of Study as one of twenty-nine supplementary books which may be read in connection with the History course in this Grade; (b) "Britain's Story" was recommended for the supplementary reading list by a Committee of experienced teachers appointed to advise regarding the Course of Study in History. 2. "Britain's Story" was recommended as a reference book by reason of the fact that it contains information supplementary to that contained in the authorized text-book. The author of "Britain's Story" is a retired Inspector of Schools in England. The books of the Kingsway series are used extensively in the schools of England. 3. Books recommended for supplementary use in the Courses of Study are first approved by Committees of experienced teachers appointed to advise regarding such courses. Books authorized as text-books are carefully examined by members of the staff of the Department before authorization is granted.

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Mr. Roebuck asked the following Question (No. 42):—

In what banks and in what amount in each were the funds of the Hydro-Electric Power Commission on deposit at the close of the last fiscal year, 31st March, 1938.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

It is not considered in the public interest to publish this information.

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Mr. Murphy asked the following Question (No. 44):—

1. Have tenders been called for redraping the Legislative Chamber for the King's visit. 2. When was the tenders called. 3. What firms tendered on the work. And what was the amount in each case. 4. To whom was the contract awarded.

The Honourable the Minister of Public Works replied as follows:—

1. Yes. 2. February 2nd, 1939.

3.	Gallery Arches, Fronts and Windows	North Wall	South Windows	Total Tender
	(a)	(b)	(c)	
R. Simpson Co. Ltd.....	\$2,295.00	\$1,340.00	\$1,454.00	\$5,089.00
T. Eaton Co. Ltd.....	2,543.40	1,211.92	1,365.72	5,121.00
Ward Price Ltd.....	3,207.16	1,984.47	1,562.52	6,754.15

4. Robert Simpson Co. Ltd., Item (a) \$2,295.00.

T. Eaton Co. Ltd., Items (b) and (c), \$2,577.64.

The following Bills were read the third time and were passed:—

Bill (No. 3), An Act respecting the Town of Leaside.

Bill (No. 9), An Act respecting L'Institut Canadien Français de la Cité d'Ottawa.

Bill (No. 17), An Act to authorize the Law Society of Upper Canada to admit Aurélien Bélanger as a Barrister.

Bill (No. 23), An Act respecting the Rideau Club.

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The Order of the Day for the second reading of Bill (No. 67), An Act to amend The Voters Lists Act, having been read,

Mr. Roebuck moved that the Bill be now read a second time, and a Debate having ensued, after some time,

The Motion, having been put, was declared to be lost.

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The Order of the Day for the second reading of Bill (No. 76), An Act to amend The Marriage Act, having been read,

Mr. Croll moved that the Bill be now read a second time, and a Debate having ensued, after some time,

The Motion, having been put, was declared to be lost.

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The Order of the Day for the second reading of Bill (No. 88), An Act to amend The Municipal Act, having been read,

Mr. Roebuck moved that the Bill be now read a second time,

And the Motion having been put was declared to be lost.

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The Order of the Day for the second reading of Bill (No. 90), An Act to amend The Embalmers and Funeral Directors Act, having been read,

Mr. Baker moved that the Bill be now read a second time.

And the Motion having been put was declared to be lost.

The Order of the Day for the second reading of Bill (No. 92), The Drainage Law Amendment Act, 1939, having been read,

*Ordered*, That the Order be discharged, and that the Bill be withdrawn.

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The following Bills were severally read the second time:—

Bill (No. 73), An Act respecting the Sandwich, Windsor and Amherstburg Railway.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 95), The Unemployment Insurance Act, 1939.

Referred to a Committee of the Whole House to-morrow.

Bill (No. 96), An Act respecting Credit Unions.

Referred to a Committee of the Whole House to-morrow.

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The House resolved itself into a committee, severally to consider the following Bills:—

Bill (No. 13), An Act respecting the Township of King.

Bill (No. 14), An Act respecting the Trustee Board of The Presbyterian Church in Canada.

Bill (No. 20), An Act respecting the Township of Etobicoke.

Bill (No. 21), An Act respecting Crescent School.

Bill (No. 24), An Act to incorporate the City of Ottawa Superannuation Fund.

Bill (No. 25), An Act respecting the Estate of Margaret Emma Bingham and the Toronto General Hospital.

Bill (No. 86), An Act respecting the Village of Lion's Head.

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the several Bills without amendments.

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The House resolved itself into a Committee to consider Bill (No. 51), An Act to amend The Optometry Act, and, after some time spent therein, Mr.

Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 69), An Act respecting the Changing of Names, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 71), An Act to amend The Public Health Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 89), An Act to amend The Counties Reforestation Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 70), The Municipal Amendment Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report progress, and ask for leave to sit again.

*Resolved*, That the Committee have leave to sit again to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 75), The Guelph Railway Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.



The House resolved itself into a Committee to consider Bill (No. 79), An Act to amend The Rural Hydro-Electric Distribution Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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And the House having continued to sit until twelve of the clock midnight,

Tuesday, April 25th, 1939.

The House resolved itself into a Committee to consider Bill (No. 80), An Act to amend The Power Commission Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report progress, and to ask for leave to sit again.

*Resolved*, That the Committee have leave to sit again to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 93), An Act to amend The Liquor Control Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 97), An Act respecting a Company to be known as The Southern Algoma Railway Company, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 84), An Act to amend The Municipal Subsidy Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 85), An Act to amend The Game and Fisheries Act, and, after some time spent therein,

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 87), An Act to amend The Workmen's Compensation Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-morrow.

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The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Return to an Order of the House dated April 20th, 1939,

That there be laid before this House a Return showing: 1. Who are or were the contractors in charge of the construction of the new double lane highway from the Town of Gananoque to the double lane highway that extends about five miles west from the Town of Brockville. 2. Were tenders advertised for by the Department of Highways for all such work. 3. If so, who submitted tenders, and what was the amount of each tender received. 4. If not, what method was adopted by the Department in selecting Contractors to undertake the work. 5. What amount has been paid to each of the contractors by tender up to the present time. 6. What amount has been paid to each contractor without tender up to the present time. 7. What portion of the said highway has been completed. 8. What is the estimated cost of the completion of the highway. 9. When will the said highway be completed. 10. Were any of the original contracts extended, if so, when and upon what basis was such extension made. How much has been paid on each extension. 11. From whom were lands purchased for right of way for the new double lane highway from the Town of Gananoque to the double lane that extends about five miles west of the Town of Brockville. What was the acreage and amount paid in each case. 12. What parcels were secured by (a) Expropriation; (b) Negotiations. 13. How much was expended for the removal of buildings at or adjacent to the right of way, giving the names and amounts paid to such owners. 14. Have payments been completed to all owners. If not, why not. (*Sessional Papers No. 52.*)

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The House then adjourned at 12.20 a.m.

TUESDAY, APRIL 25TH, 1939

PRAYERS.

3 O'CLOCK P.M.

The following Bills were read the third time and were passed:—

Bill (No. 13), An Act respecting the Township of King.

Bill (No. 14), An Act respecting the Trustee Board of The Presbyterian Church in Canada.

Bill (No. 20), An Act respecting the Township of Etobicoke.

Bill (No. 21), An Act respecting Crescent School.

Bill (No. 24), An Act to incorporate the City of Ottawa Superannuation Fund.

Bill (No. 25), An Act respecting the Estate of Margaret Emma Bingham and the Toronto General Hospital.

Bill (No. 86), An Act respecting the Village of Lion's Head.

Bill (No. 51), An Act to amend The Optometry Act.

Bill (No. 69), An Act respecting the Changing of Names.

Bill (No. 71), An Act to amend The Public Health Act.

Bill (No. 89), An Act to amend The Counties Reforestation Act.

Bill (No. 75), The Guelph Railway Act, 1939.

Bill (No. 79), An Act to amend The Rural Hydro-Electric Distribution Act.

Bill (No. 93), An Act to amend The Liquor Control Act.

Bill (No. 97), An Act respecting a Company to be known as The Southern Algoma Railway Company.

Bill (No. 84), An Act to amend The Municipal Subsidy Act.

Bill (No. 85), An Act to amend The Game and Fisheries Act.

Bill (No. 87), An Act to amend The Workmen's Compensation Act.

On motion of Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That this House do forthwith resolve itself into a Committee to

consider a certain proposed Resolution respecting the raising of Money on the Credit of the Consolidated Revenue Fund.

Mr. Hepburn (Elgin) acquainted the House that His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed Resolution, recommends it to the consideration of the House.

The House then resolved itself into the Committee.

*(In the Committee)*

*Resolved,*

1. That the Lieutenant-Governor in Council be authorized to raise from time to time by way of loan such sum or sums of money as may be deemed expedient for any or all of the following purposes, that is to say: For the public service, for works carried on by commissioners on behalf of Ontario, for the covering of any debt of Ontario on open account, for paying any floating indebtedness of Ontario, and for the carrying on of the public works authorized by the Legislature; Provided that the principal amount of any securities issued and the amount of any temporary loans raised under the authority of this Act, including any securities issued for the retirement of the said securities or temporary loans, at any time outstanding, shall not exceed in the whole Thirty Million Dollars (\$30,000,000).

2. That the aforesaid sum of money may be borrowed for any term or terms not exceeding forty years, at such rate as may be fixed by the Lieutenant-Governor in Council and shall be raised upon the credit of the Consolidated Revenue Fund of Ontario, and shall be chargeable thereupon.

3. That the Lieutenant-Governor in Council may provide for a special sinking fund with respect to the issue herein authorized, and such sinking fund may be at a greater rate than the one-half of one per centum per annum specified in subsection 3 of section 3 of *The Provincial Loans Act*.

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had come to a certain Resolution.

*Ordered,* That the Report be now received.

*Resolved,*

1. That the Lieutenant-Governor in Council be authorized to raise from time to time by way of loan such sum or sums of money as may be deemed expedient for any or all of the following purposes, that is to say: For the public service, for works carried on by commissioners on behalf of Ontario, for the covering of any debt of Ontario on open account, for paying any floating indebtedness of Ontario, and for the carrying on of the public works authorized by the Legislature; Provided that the principal amount of any securities issued and the amount of any temporary loans raised under the authority of this Act, including any securities issued for the retirement of the said securities or temporary loans, at any time outstanding, shall not exceed in the whole Thirty Million Dollars (\$30,000,000).



2. That the aforesaid sum of money may be borrowed for any term or terms not exceeding forty years, at such rate as may be fixed by the Lieutenant-Governor in Council and shall be raised upon the credit of the Consolidated Revenue Fund of Ontario, and shall be chargeable thereupon.

3. That the Lieutenant-Governor in Council may provide for a special sinking fund with respect to the issue herein authorized, and such sinking fund may be at a greater rate than the one-half of one per centum per annum specified in subsection 3 of section 3 of *The Provincial Loans Act*.

The Resolution having been read the second time, was agreed to, and referred to the House on Bill (No. 98).

The following Bill was read the second time:—

Bill (No. 98), An Act for raising Money on the Credit of the Consolidated Revenue Fund.

Referred to Committee of the Whole House to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 59), An Act to amend The Highway Improvement Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

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The House resolved itself into a Committee to consider Bill (No. 82), An Act to amend The Highway Traffic Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report progress and ask for leave to sit again.

*Resolved*, That the Committee have leave to sit again to-day.

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Mr. Cooper presented the Report of the Standing Committee on Public Accounts which was read as follows and adopted:—

Your Committee has had produced before it documents and correspondence and heard evidence in connection with the Ontario Mental Hospital, St. Thomas; the appointment of Dr. W. D. Smith, as Superintendent of the Ontario Mental Hospital, St. Thomas; and matters relative to the revenue and expenditures of Ontario for the fiscal year ending March 31st, 1938.

Your Committee begs to report the evidence taken, transcript of which is hereto attached, and exhibits filed.

Your Committee sat on the following dates: April 14th, April 18th, April 19th, April 20th, April 21st, April 24th, and April 25th, 1939.

Your Committee examined the following witnesses: Dr. Bernard T. McGhie, Deputy Minister of Health; R. A. McAllister, Deputy Minister of Public Works; Dr. W. D. Smith, Superintendent of Ontario Mental Hospital, St. Thomas; George Norman Williams, Assistant Architect, Department of Public Works; Chester S. Walters, Deputy Provincial Treasurer; R. M. Smith, Deputy Minister of Highways.

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The Order of the Day for the second reading of Bill (No. 77), An Act to Recognize in law the Right of Employees to Organize for the Furtherance of their Lawful Interests, having been read, and a Debate having ensued, after some time, the Motion was put and declared in the affirmative.

And the Bill was accordingly read the second time and referred to the Committee of the Whole House to-morrow.

The Order of the Day for the second reading of Bill (No. 81), The Holidays with Remuneration Act, 1939, having been read, and a Debate having ensued, after some time, the Motion was put and was declared to be lost.

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The House again resolved itself into a Committee to consider Bill (No. 82), An Act to amend The Highway Traffic Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-morrow.

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And the House having continued to sit until twelve of the clock midnight,

Wednesday, April 26th, 1939.

The House resolved itself into a Committee to consider Bill (No. 83), The School Law Amendment Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-day.

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The House resolved itself into a Committee to consider Bill (No. 62), An Act to amend The Limitations Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-day.

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The House resolved itself into a Committee to consider Bill (No. 63), An Act to amend The Mortgages Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-day.

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The House resolved itself into a Committee to consider Bill (No. 91), The Assessment Amendment Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-day.

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The House resolved itself into a Committee to consider Bill (No. 94), The Statute Law Amendment Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-day.

---

The House resolved itself into a Committee to consider Bill (No. 73), An Act respecting the Sandwich, Windsor and Amherstburg Railway, and, after

some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-day.

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The House resolved itself into a Committee to consider Bill (No. 95), The Unemployment Insurance Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-day.

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The House resolved itself into a Committee to consider Bill (No. 96), An Act respecting Credit Unions, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-day.

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The House resolved itself into a Committee to consider Bill (No. 98), An Act for raising Money on the Credit of the Consolidated Revenue Fund, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-day.

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The House again resolved itself into a Committee to consider Bill (No. 70), The Municipal Amendment Act, 1939, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill with certain amendments.

*Ordered*, That the Amendments be taken into consideration forthwith.

The Amendments, having been read the second time, were agreed to.

*Ordered*, That the Bill be read the third time to-day.

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The House again resolved itself into a Committee to consider Bill (No. 80),



An Act to amend The Power Commission Act, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to report the Bill without any amendment.

*Ordered*, That the Bill be read the third time to-day.

The House then adjourned at 3.05 a.m.

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### WEDNESDAY, APRIL 26TH, 1939

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PRAYERS.

3 O'CLOCK P.M.

Mr. Nixon (Temiskaming) presented the Report of the Committee on Agriculture which was read as follows and adopted:—

Your Committee met on three occasions. At its first meeting on March 23rd, Mr. Nixon (Temiskaming) was re-elected chairman on motion of Mr. Duncan and Mr. Duckworth.

Mr. Dewan, Minister of Agriculture, addressed the meeting, expressing opposition to bonuses or subsidies to agriculture on the ground that the industry could not be legislated into prosperity.

Mr. Kennedy addressed the Committee advocating expansion of co-operatives in marketing of agricultural products.

At its second meeting on March 31st, your Committee discussed the subject of inclusion of poultry in the Livestock Protection Act and decided that no action be taken. Mr. Dewan acquainted the Committee with the considerable loss occasioned Ontario farmers through damage to hides by prevalence of the warble fly. The Committee recommended, on motion of Mr. Dickson and Mr. Gardhouse, that the Department undertake an educational campaign for elimination of the warble fly, but that no compulsory legislation be introduced this session.

Mr. Carroll, Superintendent of Agricultural Societies, reported to the Committee that the Eastern Canada Agricultural Conference at Montreal strongly favoured legislation permitting producers to direct and regulate marketing of their own products.

At its third meeting on April 6th your Committee considered the problem of trucking of livestock, fruit and vegetables.

Mr. Hodgetts, of the Horticulture Branch, told the Committee that trucking of fruit and vegetables had upset the market for this produce and advised that

bonding of truckers had been abandoned because their financial position made it impossible to secure bonds.

Mr. Cassin, of the Agriculture Department, advocated resumption of compulsory inspection and grading of potatoes.

Mr. Baker urged that Ontario potato growers be encouraged to grow more extensively from certified seed to raise the quality so as to compete on a more equal footing with potatoes from the Maritimes.

William Newman, of the Department of Agriculture, reported to your Committee that under present regulations licenses issued by the Ontario Department of Highways to trucks for transportation of livestock, limit the distance which such trucks may transport livestock to 100 miles, except where the owner of the truck is also the owner of the livestock being transported. He advised that application for removal of this restriction was now before the Ontario Municipal Board. The Committee recommended, on motion of Mr. Freeborn and Mr. Oliver, removal of all distance limitation in licenses to trucks for transport of livestock, and ordered that a copy of the Resolution be forwarded to the Ontario Municipal Board.

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The following Bills were read the third time and were passed:—

Bill (No. 59), An Act to amend The Highway Improvement Act.

Bill (No. 82), An Act to amend The Highway Traffic Act.

Bill (No. 83), The School Law Amendment Act, 1939.

Bill (No. 62), An Act to amend The Limitations Act.

Bill (No. 63), An Act to amend The Mortgages Act.

Bill (No. 91), The Assessment Amendment Act, 1939.

Bill (No. 94), The Statute Law Amendment Act, 1939.

Bill (No. 73), An Act respecting the Sandwich, Windsor and Amherstburg Railway.

Bill (No. 95), The Unemployment Insurance Act, 1939.

Bill (No. 96), An Act respecting Credit Unions.

Bill (No. 98), An Act for raising Money on the Credit of the Consolidated Revenue Fund.

Bill (No. 70), The Municipal Amendment Act, 1939.

Bill (No. 80), An Act to amend The Power Commission Act.

The House, according to Order, again resolved itself into the Committee of Supply.

*(In the Committee)*

*Resolved*, That there be granted to His Majesty, for the services of the year ending March 31st, 1940, the following sums:—

67. To defray the expenses of the Main Office, Department of Health.....	\$ 204,430.00
68. To defray the expenses of the Maternal and Child Hygiene and Public Health Nursing Board.....	37,950.00
69. To defray the expenses of the Dental Service Branch.....	14,830.00
70. To defray the expenses of the Inspection for Training Schools for Nurses Board.....	17,750.00
71. To defray the expenses of the Preventable Diseases Branch..	236,350.00
72. To defray the expenses of the Venereal Diseases Branch....	108,900.00
73. To defray the expenses of the Tuberculosis Prevention Branch	184,330.00
74. To defray the expenses of the Industrial Hygiene Branch....	58,950.00
75. To defray the expenses of the Sanitary Engineering Branch..	49,050.00
76. To defray the expenses of the Laboratory Branch.....	128,100.00
77. To defray the expenses of the Laboratory Divisions Branch...	66,280.00
78. To defray the expenses of the Hospitals General Office—Grants, etc., General Expenses—Ontario Hospitals.....	4,043,600.00
79. To defray the expenses of the Ontario Hospital, Brockville...	430,400.00
80. To defray the expenses of the Ontario Hospital, Cobourg....	174,450.00
81. To defray the expenses of the Ontario Hospital, Fort William	74,940.00
82. To defray the expenses of the Ontario Hospital, Hamilton...	546,700.00
83. To defray the expenses of the Ontario Hospital, Kingston....	467,780.00
84. To defray the expenses of the Ontario Hospital, London.....	611,940.00
85. To defray the expenses of the Ontario Hospital, New Toronto	607,270.00
86. To defray the expenses of the Ontario Hospital, New Toronto (Concord Unit).....	51,150.00
87. To defray the expenses of the Ontario Hospital, Orillia.....	560,950.00
88. To defray the expenses of the Ontario Hospital, Penetanguishene.....	260,050.00
89. To defray the expenses of the Ontario Hospital, St. Thomas...	631,600.00
90. To defray the expenses of the Ontario Hospital, Toronto.....	457,040.00
91. To defray the expenses of the Ontario Hospital, Whitby.....	719,480.00
92. To defray the expenses of the Ontario Hospital, Woodstock..	385,650.00
93. To defray the expenses of the Toronto Psychiatric Hospital..	129,030.00
94. To defray the expenses of the Ontario Hospital, Brampton...	30,000.00
95. To defray the expenses of the Ontario Hospital, Port Arthur.	20,000.00

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

*Ordered*, That the Report be received to-day.

*Resolved*, That the Committee have leave to sit again to-day.

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Mr. Acres asked the following Question (No. 48):—

1. Has the Provincial Treasurer since 1934 utilized the provision of section 20 of The Succession Duty Act and applied to any Surrogate Court Judge to make inquiries into the matters mentioned in section 20. 2. If so, what Surrogate Court Judge of what Counties have so acted.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

1. Yes. 2. The Surrogate Court Judges of the Counties of Ontario, Lincoln and York.

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Mr. Arnott asked the following Question (No. 49):—

1. How much has Mr. A. G. Slaght, K.C., received in legal fees from the Government since July 1st, 1934, giving total for all services. 2. Does Mr. Slaght still receive a retaining fee from the T. & N.O. Railway, and if so, how much.

The Honourable the Attorney-General replied as follows:—

1. 1934 and 1935, see Answer to Question 12, Votes and Proceedings 1936, page 243; 1936 and 1937, see Answer to Question 6, Votes and Proceedings 1938, page 114; 1938, \$3,038.80 was paid to Messrs. Slaght, Ferguson & Carrick as fees and disbursements in connection with work for the Succession Duty Office, and \$5,005.18 was paid to Mr. Slaght by the Niagara Parks Commission in connection with the arbitration proceedings with the International Railway Company. 2. As Counsel to the Temiskaming & Northern Ontario Railway Commission, Mr. Slaght receives a retainer of \$400 a month, which is the same amount as was previously paid to the firm of Tilley, Johnson, Thomson & Parmenter for similar services.

The House, according to Order, again resolved itself into the Committee of Supply.

*(In the Committee)*

*Resolved*, That there be granted to His Majesty, for the services of the year ending March 31st, 1940, the following sums:—

1. To defray the expenses of the Main Office, Department of Agriculture.....	\$ 202,126.25
2. To defray the expenses of the Statistics and Publications Branch.....	11,880.00
3. To defray the expenses of the Agricultural and Horticultural Societies Branch.....	125,400.00
4. To defray the expenses of the Live Stock Branch.....	95,125.00
5. To defray the expenses of the Institutes Branch.....	75,175.00
6. To defray the expenses of the Dairy Branch.....	130,800.00
7. To defray the expenses of the Milk Control Board.....	51,200.00
8. To defray the expenses of the Fruit Branch.....	102,449.00
9. To defray the expenses of the Agricultural Representatives Branch.....	350,350.00
10. To defray the expenses of the Crops, Seeds and Weeds.....	41,175.00
11. To defray the expenses of the Co-operation and Markets.....	31,125.00
12. To defray the expenses of the Kemptville Agricultural School.....	95,492.00
13. To defray the expenses of the Ontario Veterinary College....	70,500.00



14. To defray the expenses of the Western Ontario Experimental Farm.....	\$ 29,300.00
15. To defray the expenses of the Demonstration Farm, New Liskeard.....	13,020.00
16. To defray the expenses of the Demonstration Farm, Hearst..	5,500.00
17. To defray the expenses of the Northern Ontario Branch.....	52,225.00
18. To defray the expenses of the Ontario Agricultural College...	793,614.00
19. To defray the expenses of the Co-operation and Market Branch.....	25,000.00
96. To defray the expenses of the Main Office, Department of Highways.....	401,800.00
97. To defray the expenses of the Division Offices, Department of Highways.....	325,000.00
98. To defray the expenses of the Municipal Roads Branch.....	75,000.00
99. To defray the expenses of the Gasoline Tax Branch.....	50,000.00
100. To defray the expenses of the Miscellaneous Permits Branch..	20,000.00
101. To defray the expenses of the Equipment Branch.....	93,000.00
102. To defray the expenses of the Motor Vehicles Branch.....	165,000.00
34. To defray the expenses of the Main Office, Department of Education.....	77,725.00
35. To defray the expenses of the Legislative Library.....	19,075.00
36. To defray the expenses of the Public Records and Archives..	9,175.00
37. To defray the expenses of the Public and Separate School Education.....	5,099,100.00
38. To defray the expenses of the Inspection of Schools.....	561,956.00
39. To defray the expenses of the Departmental Examinations...	322,100.00
40. To defray the expenses of the Text Books.....	71,900.00
41. To defray the expenses of the Training Schools.....	113,000.00
42. To defray the expenses of the Toronto Normal and Model Schools.....	130,600.00
43. To defray the expenses of the Ottawa Normal and Model Schools.....	86,750.00
44. To defray the expenses of the London Normal School.....	44,000.00
45. To defray the expenses of the Hamilton Normal School.....	43,400.00
46. To defray the expenses of the Peterborough Normal School..	38,955.00
47. To defray the expenses of the Stratford Normal School.....	36,450.00
48. To defray the expenses of the North Bay Normal School.....	37,700.00
49. To defray the expenses of the University of Ottawa Normal School.....	84,525.00
50. To defray the expenses of the High Schools and Collegiate Institutes.....	868,675.00
51. To defray the expenses of the Public Libraries.....	108,525.00
52. To defray the expenses of the Vocational Education.....	1,678,850.00
53. To defray the expenses of the Ontario Training College for Technical Teachers.....	31,900.00
54. To defray the expenses of the Superannuated Teachers.....	11,800.00
55. To defray the expenses of the Provincial and other Universities	1,831,000.00
56. To defray the expenses of the Belleville School for the Deaf..	156,725.00
57. To defray the expenses of the Brantford School for the Blind..	94,100.00
20. To defray the expenses of the Main Office, Attorney-General's Department.....	74,475.00
21. To defray the expenses of the Supreme Court of Ontario.....	85,175.00

22. To defray the expenses of the Shorthand Reporters.....	\$ 32,550.00
23. To defray the expenses of the Toronto and York Crown Attorney's Office.....	28,175.00
24. To defray the expenses of the Land Titles Office.....	27,950.00
25. To defray the expenses of the Drainage Referees.....	2,500.00
26. To defray the expenses of the Criminal Justice Accounts....	936,600.00
27. To defray the expenses of the Public Trustee's Office.....	67,934.60
28. To defray the expenses of the Official Guardian's Office.....	34,950.00
29. To defray the expenses of the Accountant's Office—Supreme Court of Ontario.....	24,650.00
30. To defray the expenses of the Fire Marshal's Office.....	61,600.00
31. To defray the expenses of the Inspector of Legal Offices.....	83,590.00
32. To defray the expenses of the Law Enforcement Branch (Provincial Police).....	1,031,125.00
33. To defray the expenses of the Ontario Securities Commission.	74,527.50
103. To defray the expenses of the Main Office Department of Insurance.....	67,100.00
140. To defray the expenses of the Main Office, Department of Prime Minister.....	21,025.00
141. To defray the expenses of the Office of Executive Council....	10,950.00
142. To defray the expenses of the Travel and Publicity Bureau..	65,000.00
143. To defray the expenses of the Office of Civil Service Com- missioner.....	12,260.00
144. To defray the expenses of the Office of King's Printer.....	36,775.00
145. To defray the expenses of the Office of Controller of Finances.	11,910.00
146. To defray the expenses of the Office of Provincial Auditor....	113,500.00
157. To defray the expenses of the Main Office, Department of Provincial Treasurer.....	90,540.00
158. To defray the expenses of the Office of Budget Committee...	10,735.00
159. To defray the expenses of the Motion Picture Censorship and Theatre Inspection.....	38,675.00
160. To defray the expenses of the Controller of Revenue Branch.	472,860.00
161. To defray the expenses of the Post Office.....	149,315.00
162. To defray the expenses of the Main Office, Department of the Provincial Treasurer.....	800,000.00

And the House having continued to sit until twelve of the clock midnight,

Thursday, April 27th, 1939.

190. To defray the expenses of the Miscellaneous.....	\$ 104,400.00
58. To defray the expenses of the Main Office, Department of Game and Fisheries.....	71,900.00
59. To defray the expenses of the Districts, Department of Game and Fisheries.....	250,500.00
60. To defray the expenses of the Game Animals and Birds Department of Game and Fisheries.....	34,000.00
61. To defray the expenses of the Experimental Fur Farm, Department of Game and Fisheries.....	500.00
62. To defray the expenses of the Macdiarmid, Department of Game and Fisheries.....	3,000.00
63. To defray the expenses of the Biological and Fish Culture Branch, Department of Game and Fisheries.....	248,950.00

64. To defray the expenses of the Grants, Department of Game and Fisheries.....	\$ 7,400.00
65. To defray the expenses of the Wolf Bounty, Department of Game and Fisheries.....	30,000.00
66. To defray the expenses of the Main Office, General, Department of Game and Fisheries.....	35,000.00
147. To defray the expenses of the Main Office, Department of Provincial Secretary.....	59,315.00
148. To defray the expenses of the Registrar-General's Branch....	53,165.00
149. To defray the expenses of the Main Office, Reformatories and Prisons Branch, Department of Provincial Secretary.....	150,025.00
150. To defray the expenses of the Board of Parole.....	17,000.00
151. To defray the expenses of the Ontario Reformatory, Guelph..	770,000.00
152. To defray the expenses of the Ontario Reformatory, Mimico..	129,500.00
153. To defray the expenses of the Mercer Reformatory, Toronto..	170,000.00
154. To defray the expenses of the Industrial Farm, Burwash.....	457,000.00
155. To defray the expenses of the Ontario Training School for Boys, Bowmanville.....	155,000.00
156. To defray the expenses of the Ontario Training School for Girls, Galt.....	75,000.00
114. To defray the expenses of the Main Office, Department of Lands and Forests.....	172,200.00
115. To defray the expenses of the Agents, Department of Lands and Forests.....	28,600.00
116. To defray the expenses of the Rondeau Provincial Park.....	16,375.00
117. To defray the expenses of the Ipperwash Beach Provincial Park.....	6,000.00
118. To defray the expenses of the New Parks, Department of Lands and Forests.....	4,000.00
119. To defray the expenses of the Forests Branch, Department of Lands and Forests.....	87,000.00
120. To defray the expenses of the Forests Service, Department of Lands and Forests.....	1,640,245.00
121. To defray the expenses of the Air Service, Department of Lands and Forests.....	252,500.00
122. To defray the expenses of the Radio Service, Department of Lands and Forests.....	60,000.00
123. To defray the expenses of the Woodmen's Employment Act..	9,000.00
124. To defray the expenses of the Clearing Townsites and Removal of Fire Hazards.....	15,000.00
125. To defray the expenses of the Insect Control and Tree Diseases, Department of Lands and Forests.....	17,900.00
126. To defray the expenses of the Main Office, Surveys, etc., Department of Lands and Forests.....	138,000.00
127. To defray the expenses of the Reforestation, Department of Lands and Forests.....	328,600.00
132. To defray the expenses of the Main Office, Department of Mines.....	337,750.00
133. To defray the expenses of the Gas and Oil Well Inspectors....	9,200.00
134. To defray the expenses of the Sulphur Fumes Arbitrator.....	5,000.00
135. To defray the expenses of the Temiskaming Testing Laboratories.....	17,500.00



136. To defray the expenses of the Office of Mining Recorders . . . . \$	48,500.00
137. To defray the expenses of the Draughtsmen, North Bay . . . . .	7,600.00
168. To defray the expenses of the Main Office, Department of Public Works . . . . .	101,200.00
169. To defray the expenses of the General Superintendence, Department of Public Works . . . . .	26,500.00
170. To defray the expenses of the Lieutenant-Governor's Apartment, Department of Public Works . . . . .	4,600.00
171. To defray the expenses of the Legislative and Departmental Building, Department of Public Works . . . . .	421,330.00
172. To defray the expenses of the Osgoode Hall, Department of Public Works . . . . .	36,300.00
173. To defray the expenses of the Educational Buildings, Department of Public Works . . . . .	41,000.00
174. To defray the expenses of the Agricultural Buildings, Department of Public Works . . . . .	32,000.00
175. To defray the expenses of the Training Schools, Department of Public Works . . . . .	2,500.00
176. To defray the expenses of the District Buildings, Department of Public Works . . . . .	51,370.00
177. To defray the expenses of the Ontario Hospitals, Department of Public Works . . . . .	41,000.00
178. To defray the expenses of the Public Works . . . . .	20,000.00
179. To defray the expenses of the Miscellaneous, Department of Public Works . . . . .	25,500.00
180. To defray the expenses of the Agricultural Buildings, Department of Public Works . . . . .	46,500.00
181. To defray the expenses of the Educational Buildings, Department of Public Works . . . . .	50,000.00
182. To defray the expenses of the Ontario Hospitals, Department of Public Works . . . . .	3,940,000.00
183. To defray the expenses of the Reformatories, Department of Public Works . . . . .	152,000.00
184. To defray the expenses of the District Buildings, Department of Public Works . . . . .	46,500.00
185. To defray the expenses of the Provincial Parks, Department of Public Works . . . . .	5,000.00
186. To defray the expenses of the Fish Hatcheries, Department of Public Works . . . . .	82,000.00
187. To defray the expenses of the Forestry, Department of Public Works . . . . .	30,000.00
188. To defray the expenses of the Public Works, Department of Public Works . . . . .	392,000.00
189. To defray the expenses of the Miscellaneous, Department of Public Works . . . . .	3,000.00
138. To defray the expenses of the Main Office, Department of Municipal Affairs . . . . .	196,650.00
139. To defray the expenses of the Ontario Municipal Board . . . . .	31,200.00

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.



*Ordered*, That the Report be received to-day.

*Resolved*, That the Committee have leave to sit again to-day.

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On motion by Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That when this House adjourns the present Sitting thereof it do stand adjourned until two of the clock this afternoon.

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The House then adjourned at 1.50 a.m.

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### THURSDAY, APRIL 27TH, 1939

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PRAYERS.

3 O'CLOCK P.M.

Mr. Challies asked the following Question (No. 14):—

1. What was the total revenue received from customers by the Abitibi Canyon Development for the year 1938. 2. What were (a) operating expenses; (b) maintenance cost; (c) interest charges; (d) other current expenses for the same period. 3. What are the reserves for renewals and contingencies.

The Honourable the Prime Minister and Provincial Treasurer replied as follows:—

#### ABITIBI CANYON DEVELOPMENT

1. Total Revenue.....	\$2,354,734.21
2. (a) Operating Expenses.....	\$ 202,975.53
(b) Maintenance Costs.....	151,499.50
(c) Interest.....	932,141.02
(d) Other Current Expenses.....	1,682.58
Provision for Reserves—	
Depreciation.....	242,805.84
Contingencies.....	36,875.68
Sinking Fund.....	708,937.64
	<hr/>
	\$2,276,917.79
3. Total Reserves to October 31st, 1938:—	
Renewals.....	\$1,113,963.92
Contingencies.....	353,112.09
Sinking Fund.....	1,988,236.31

Mr. Downer asked the following Question (No. 47):—

1. How many men are employed on Highway No. 24 between Collingwood, Shelburne and Stayner. What are their names and the amount received by each in wages from October 1st, 1938, to March 31st, 1939. 2. How many men are employed on Highway 26 between Collingwood, Stayner and Thornbury. Give names and amounts received by each for the period April 1st, 1938, to March 31st, 1939.

The Honourable the Minister of Highways replied as follows:—

1. From 1 to 80.

Name	Amount
G. Fewster (Wages and Truck).....	\$ 347.45
W. Stewart (Team).....	244.37
H. Crooke (Truck).....	15.00
G. Sanderson (Truck).....	52.50
B. Deakin (Truck).....	40.00
H. Bailey.....	54.90
L. Gillespie.....	64.20
E. Peterson.....	62.10
V. Weatherall.....	10.80
B. Cowan.....	10.05
J. Walwork.....	30.15
E. Huxley.....	45.25
W. Dinsmore.....	12.00
J. Westecott.....	8.70
J. Reddick.....	48.00
H. Webster.....	46.65
A. Dayton.....	45.70
R. Dynes.....	6.00
R. Armstrong.....	11.40
D. Armstrong.....	12.30
J. Ferris.....	1.20
G. Orvis.....	19.80
W. Ostrander.....	2.10
C. Webster.....	34.65
D. Downey.....	19.05
H. Emerick.....	33.90
J. Jiles.....	2.40
H. Petterson.....	2.40
G. Gilpin.....	9.00
H. Haliday.....	8.40
J. McFarlane.....	17.40
W. Allen.....	22.80
B. Coulter.....	1.20
W. Teeter.....	1.20
W. McNabb.....	18.60
J. Brown.....	13.80
B. Hamilton.....	2.55
M. Hardwick.....	21.00

Name	Amount
Chester Tupling.....	\$ 3.00
W. Parsons.....	1.50
W. Snell.....	2.40
J. Davey.....	3.90
Charlie McGhee.....	7.05
W. Kentner.....	3.00
V. Orvis.....	.60
E. Raeburn.....	.60
R. Webster.....	36.30
Wm. Webster.....	13.80
Wes. Webster.....	22.35
D. Webster.....	43.65
N. Webster.....	1.50
C. Walwork.....	6.45
J. Dinsmore.....	22.80
W. Reddick.....	8.40
E. Reddick.....	34.55
R. McGhee.....	33.90
H. Proctor.....	24.00
W. Fawcett.....	28.05
L. Jeners.....	35.40
J. Clarey.....	31.95
W. Lloyd.....	19.50
N. Corby.....	23.55
H. Dayton.....	6.90
A. Partridge.....	2.40
C. McGhee.....	16.95
B. Emerick.....	12.45
G. Fraser.....	15.60
E. Paige.....	20.85
D. Ferguson.....	1.20
J. Noble.....	15.45
E. Rusk.....	4.80
D. Dinsmore.....	14.40
B. Parsons.....	5.40
B. Fachinie.....	9.90
S. Robb.....	9.60
E. Westecott.....	10.20
E. Fachinie.....	3.60
Chas. Tupling.....	3.60
B. Dynes.....	3.60
E. Hewitt.....	3.60
B. Brophy (Wages and Truck).....	649.00
W. McInnis.....	180.20
A. Wideman.....	143.65
R. Watts.....	50.35
W. Hughes.....	76.65
P. Nobes.....	76.65
G. Lazio.....	65.85
G. Stangroom.....	73.95
F. Pope (Truck).....	462.20

Name	Amount
R. Nobes.....	\$ 108.45
J. Crouthers.....	108.45
B. Allan.....	119.40
G. Walters.....	11.85
H. Beattie.....	7.00
J. McBride.....	157.60
N. Evans.....	16.50
O. Cooms.....	96.75
F. Webb.....	128.70
C. Hackett (Truck).....	451.10
G. Murray.....	86.40
F. Vancise.....	99.30
G. Raynor.....	93.90
A. Stall.....	221.10
C. McBride.....	143.70
A. McDermott (Truck).....	1,032.55
D. Campbell.....	59.25
G. Bell.....	213.10
F. Jenkinson.....	109.95
H. Morby.....	62.25
M. Wagner.....	64.65
R. Carscadin.....	34.05
G. Parish.....	132.45
A. Taylor (Truck).....	642.55
J. Briggs.....	113.70
M. Coutts.....	213.15
D. Tracey.....	137.85
F. Goodman.....	2.85
B. McKee (Truck).....	167.60
J. Long.....	94.65
G. McBride.....	217.80
G. Goodman.....	66.00
G. Stephenson.....	39.00
J. McMillan (Team).....	39.70
C. Mackie.....	47.60
S. Woolner (Truck).....	240.70
H. Goldsmith.....	51.00
W. Edwards.....	57.60
W. Service.....	21.00
R. Curtain.....	19.10
A. McGibbon.....	29.10
D. Edwards.....	20.70
R. Edwards.....	20.70
J. Bingham.....	18.00
F. Edwards (Team).....	33.00
H. Freethy (Truck).....	56.25
J. Schwandt.....	11.40
C. White.....	4.50
N. Corby.....	3.60
R. Dynes.....	6.00
G. Menary.....	1.20



Name	Amount
B. Ewing.....	\$ 19.35
R. McBride.....	1.20
B. Collins.....	4.20
J. Ferguson.....	23.70
R. Hammill.....	18.30
H. Spence.....	18.15
C. McCauslin.....	1.20
E. Hall.....	1.20
W. Baker.....	4.40
E. Wiley.....	2.40
F. Young.....	1.20
D. Jones.....	1.20
W. Jordan.....	58.95
W. Gibson.....	56.70
M. Metherall (Team).....	31.90
A. Evans.....	5.10
L. Cain.....	200.10
C. MacDonald.....	94.35
W. Coutts.....	4.50
G. Coulson.....	51.00
J. Taylor.....	22.65
F. Kenabel.....	1.20
A. Kitchen.....	3.00
D. Sinclair.....	2.40
G. Adair.....	2.70
C. Ferguson.....	32.40
D. Taylor.....	30.30
J. Hughson.....	8.40
H. Hammill.....	12.90
N. Hammill.....	3.60
C. Schwandt.....	39.00
B. Brophy (Wages and Truck).....	1,228.60
W. Wideman.....	358.40
W. McGinnis.....	441.25
R. Watts.....	76.70
F. Pope (Truck).....	873.45
C. Day.....	139.25
J. Day.....	61.50
G. Coulson.....	51.00
A. Kitchen.....	34.20
H. Mitchell.....	1.80
G. Oliver.....	3.00
K. White.....	1.20
J. Wilson.....	1.20
A. Quick.....	111.00
A. Shipley.....	30.00
J. Aberhart.....	2.40
P. Soulsby.....	16.20
F. Vancise.....	129.00
J. Stapleton.....	48.00
C. Dunlop (Team).....	22.40

Name	Amount
G. Lazio.....	51.60
D. Jeffries.....	60.60
J. McQuillen (Team).....	95.90
D. Tracey.....	137.85
A. Kirby.....	14.40
L. Cain.....	48.00
A. Mirron.....	48.00
W. McCarthy.....	16.80
J. Turner.....	28.80
B. Varley.....	88.20
H. K. Fleming (Foreman).....	281.00
W. Campbell.....	167.97
W. Brinn.....	45.00
J. Boynton.....	31.20
W. Johnston.....	14.70
J. Hindle.....	15.90
W. Clay (Team).....	42.50
H. Mix (Team).....	18.10
E. Doherty (Team).....	2.20
J. Barclay (Team).....	33.95

The House, according to Order, again resolved itself into the Committee of Supply.

*(In the Committee)*

*Resolved*, That there be granted to His Majesty, for the services of the year ending March 31st, 1940, the following sums:—

163. To defray the expenses of the Main Office, Department of Public Welfare Grants—Refugees, Orphanages.....	\$ 227,000.00
164. To defray the expenses of the Children's Aid Branch.....	164,100.00
165. To defray the expenses of the Mothers' Allowances Commission.....	5,307,700.00
166. To defray the expenses of the Old Age Pensions Commission..	3,552,500.00
167. To defray the expenses of the Branches, Old Age Pensions Commission.....	10,380,600.00
104. To defray the expenses of the Main Office, Department of Labour.....	63,596.55
105. To defray the expenses of the Industry and Labour Board...	20,055.00
106. To defray the expenses of the Apprenticeship Branch.....	33,430.00
107. To defray the expenses of the Boiler Inspection Branch.....	20,675.00
108. To defray the expenses of the Factory Inspection Branch....	9,970.00
109. To defray the expenses of the Board of Examiners of Operating Engineers.....	28,755.00
110. To defray the expenses of the Employment Offices.....	234,450.00
111. To defray the expenses of the Minimum Wage Board.....	40,500.00
112. To defray the expenses of the Composite Inspection Division.	115,385.00
113. To defray the expenses of the Workmen's Compensation Board	75,000.00

128. To defray the expenses of the Office of the Speaker . . . . .	\$ 255,600.00
129. To defray the expenses of the Office of Law Clerk . . . . .	13,175.00
130. To defray the expenses of the Office of Crown-in-Chancery . . . . .	4,800.00

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had come to several Resolutions; also, That the Committee had directed him to ask for leave to sit again.

*Ordered*, That the Report be received to-day.

Mr. Patterson, from Committee of Supply, reported the following Resolutions:—

1. *Resolved*, That a sum not exceeding Two hundred and two thousand, one hundred and twenty-six dollars and twenty-five cents be granted to His Majesty to defray the expenses of Main Office, Department of Agriculture, for the year ending 31st March, 1940.
2. *Resolved*, That a sum not exceeding Eleven thousand, eight hundred and eighty dollars be granted to His Majesty to defray the expenses of Statistics and Publications Branch for the year ending 31st March, 1940.
3. *Resolved*, That a sum not exceeding One hundred and twenty-five thousand four hundred dollars be granted to His Majesty to defray the expenses of Agricultural and Horticultural Societies Branch for the year ending 31st March, 1940.
4. *Resolved*, That a sum not exceeding Ninety-five thousand, one hundred and twenty-five dollars be granted to His Majesty to defray the expenses of the Live Stock Branch for the year ending 31st March, 1940.
5. *Resolved*, That a sum not exceeding Seventy-five thousand, one hundred and seventy-five dollars be granted to His Majesty to defray the expenses of the Institutes Branch for the year ending 31st March, 1940.
6. *Resolved*, That a sum not exceeding One hundred and thirty thousand, eight hundred dollars be granted to His Majesty to defray the expenses of the Dairy Branch for the year ending 31st March, 1940.
7. *Resolved*, That a sum not exceeding Fifty-one thousand, two hundred dollars be granted to His Majesty to defray the expenses of the Milk Control Board for the year ending 31st March, 1940.
8. *Resolved*, That a sum not exceeding One hundred and two thousand, four hundred and forty-nine dollars be granted to His Majesty to defray the expenses of the Fruit Branch for the year ending 31st March, 1940.
9. *Resolved*, That a sum not exceeding Three hundred and fifty thousand, three hundred and fifty dollars be granted to His Majesty to defray the expenses of the Agricultural Representatives Branch for the year ending 31st March, 1940.

10. *Resolved*, That a sum not exceeding Forty-one thousand, one hundred and seventy-five dollars be granted to His Majesty to defray the expenses of the Crops, Seeds and Weeds Branch for the year ending 31st March, 1940.

11. *Resolved*, That a sum not exceeding Thirty-one thousand, one hundred and twenty-five dollars be granted to His Majesty to defray the expenses of the Co-operation and Markets Branch for the year ending 31st March, 1940.

12. *Resolved*, That a sum not exceeding Ninety-five thousand, four hundred and ninety-two dollars be granted to His Majesty to defray the expenses of Kemptville Agricultural School for the year ending 31st March, 1940.

13. *Resolved*, That a sum not exceeding Seventy thousand, five hundred dollars be granted to His Majesty to defray the expenses of Ontario Veterinary College for the year ending 31st March, 1940.

14. *Resolved*, That a sum not exceeding Twenty-nine thousand, three hundred dollars be granted to His Majesty to defray the expenses of Western Ontario Experimental Farm for the year ending 31st March, 1940.

15. *Resolved*, That a sum not exceeding Thirteen thousand and twenty dollars be granted to His Majesty to defray the expenses of Demonstration Farm, New Liskeard, for the year ending 31st March, 1940.

16. *Resolved*, That a sum not exceeding Five thousand, five hundred dollars be granted to His Majesty to defray the expenses of Demonstration Farm, Hearst, for the year ending 31st March, 1940.

17. *Resolved*, That a sum not exceeding Fifty-two thousand, two hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Northern Ontario Branch for the year ending 31st March, 1940.

18. *Resolved*, That a sum not exceeding Seven hundred and ninety-three thousand, six hundred and fourteen dollars be granted to His Majesty to defray the expenses of Ontario Agricultural College for the year ending 31st March, 1940.

19. *Resolved*, That a sum not exceeding Twenty-five thousand dollars be granted to His Majesty to defray the expenses of Co-operation and Markets Branch for the year ending 31st March, 1940.

20. *Resolved*, That a sum not exceeding Seventy-four thousand, four hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Main Office, Department of Attorney-General, for the year ending 31st March, 1940.

21. *Resolved*, That a sum not exceeding Eighty-five thousand, one hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Supreme Court of Ontario for the year ending 31st March, 1940.

22. *Resolved*, That a sum not exceeding Thirty-two thousand, five hundred and fifty dollars be granted to His Majesty to defray the expenses of Shorthand Reporters for the year ending 31st March, 1940.



23. *Resolved*, That a sum not exceeding Twenty-eight thousand, one hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Toronto and York Crown Attorney's Office for the year ending 31st March, 1940.

24. *Resolved*, That a sum not exceeding Twenty-seven thousand, nine hundred and fifty dollars be granted to His Majesty to defray the expenses of Land Titles Office for the year ending 31st March, 1940.

25. *Resolved*, That a sum not exceeding Two thousand five hundred dollars be granted to His Majesty to defray the expenses of Drainage Referees for the year ending 31st March, 1940.

26. *Resolved*, That a sum not exceeding Nine hundred and thirty-six thousand, six hundred dollars be granted to His Majesty to defray the expenses of Criminal Justice Accounts for the year ending 31st March, 1940.

27. *Resolved*, That a sum not exceeding Sixty-seven thousand, nine hundred and thirty-four dollars and sixty cents be granted to His Majesty to defray the expenses of Public Trustee's Office for the year ending 31st March, 1940.

28. *Resolved*, That a sum not exceeding Thirty-four thousand, nine hundred and fifty dollars be granted to His Majesty to defray the expenses of Official Guardian's Office for the year ending 31st March, 1940.

29. *Resolved*, That a sum not exceeding Twenty-four thousand, six hundred and fifty dollars be granted to His Majesty to defray the expenses of Accountant's Office, Supreme Court of Ontario, for the year ending 31st March, 1940.

30. *Resolved*, That a sum not exceeding Sixty-one thousand, six hundred dollars be granted to His Majesty to defray the expenses of Fire Marshal's Office for the year ending 31st March, 1940.

31. *Resolved*, That a sum not exceeding Eighty-three thousand, five hundred and ninety dollars be granted to His Majesty to defray the expenses of Inspector of Legal Offices for the year ending 31st March, 1940.

32. *Resolved*, That a sum not exceeding One million and thirty-one thousand, one hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Law Enforcement Branch (Provincial Police) for the year ending 31st March, 1940.

33. *Resolved*, That a sum not exceeding Seventy-four thousand, five hundred and twenty-seven dollars and fifty cents be granted to His Majesty to defray the expenses of Ontario Securities Commission for the year ending 31st March, 1940.

34. *Resolved*, That a sum not exceeding Seventy-seven thousand, seven hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Main Office, Department of Education, for the year ending 31st March, 1940.

35. *Resolved*, That a sum not exceeding Nineteen thousand and seventy-five dollars be granted to His Majesty to defray the expenses of Legislative Library for the year ending 31st March, 1940.

36. *Resolved*, That a sum not exceeding Nine thousand, one hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Public Records and Archives for the year ending 31st March, 1940.

37. *Resolved*, That a sum not exceeding Five million and ninety-nine thousand, one hundred dollars be granted to His Majesty to defray the expenses of Public and Separate School Education for the year ending 31st March, 1940.

38. *Resolved*, That a sum not exceeding Five hundred and sixty-one thousand nine hundred and fifty-six dollars be granted to His Majesty to defray the expenses of Inspection of Schools Branch for the year ending 31st March, 1940.

39. *Resolved*, That a sum not exceeding Three hundred and twenty-two thousand, one hundred dollars be granted to His Majesty to defray the expenses of Departmental Examinations Branch for the year ending 31st March, 1940.

40. *Resolved*, That a sum not exceeding Seventy-one thousand, nine hundred dollars be granted to His Majesty to defray the expenses of Text Books Branch for the year ending 31st March, 1940.

41. *Resolved*, That a sum not exceeding One hundred and thirteen thousand dollars be granted to His Majesty to defray the expenses of Training Schools Branch for the year ending 31st March, 1940.

42. *Resolved*, That a sum not exceeding One hundred and thirty thousand, six hundred dollars be granted to His Majesty to defray the expenses of Toronto Normal and Model Schools for the year ending 31st March, 1940.

43. *Resolved*, That a sum not exceeding Eighty-six thousand, seven hundred and fifty dollars be granted to His Majesty to defray the expenses of Ottawa Normal and Model Schools for the year ending 31st March, 1940.

44. *Resolved*, That a sum not exceeding Forty-four thousand dollars be granted to His Majesty to defray the expenses of London Normal School for the year ending 31st March, 1940.

45. *Resolved*, That a sum not exceeding Forty-three thousand, four hundred dollars be granted to His Majesty to defray the expenses of Hamilton Normal School for the year ending 31st March, 1940.

46. *Resolved*, That a sum not exceeding Thirty-eight thousand, nine hundred and fifty-five dollars be granted to His Majesty to defray the expenses of Peterborough Normal School for the year ending 31st March, 1940.

47. *Resolved*, That a sum not exceeding Thirty-six thousand, four hundred and fifty dollars be granted to His Majesty to defray the expenses of Stratford Normal School for the year ending 31st March, 1940.

48. *Resolved*, That a sum not exceeding Thirty-seven thousand, seven hundred dollars be granted to His Majesty to defray the expenses of North Bay Normal School for the year ending 31st March, 1940.

49. *Resolved*, That a sum not exceeding Eighty-four thousand, five hundred and twenty-five dollars be granted to His Majesty to defray the expenses of University of Ottawa Normal School for the year ending 31st March, 1940.

50. *Resolved*, That a sum not exceeding Eight hundred and sixty-eight thousand, six hundred and seventy-five dollars be granted to His Majesty to

defray the expenses of High Schools and Collegiate Institutes for the year ending 31st March, 1940.

51. *Resolved*, That a sum not exceeding One hundred and eight thousand, five hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Public Libraries for the year ending 31st March, 1940.

52. *Resolved*, That a sum not exceeding One million, six hundred and seventy-eight thousand, eight hundred and fifty dollars be granted to His Majesty to defray the expenses of Vocational Education for the year ending 31st March, 1940.

53. *Resolved*, That a sum not exceeding Thirty-one thousand, nine hundred dollars be granted to His Majesty to defray the expenses of Ontario Training College for Technical Teachers for the year ending 31st March, 1940.

54. *Resolved*, That a sum not exceeding Eleven thousand, eight hundred dollars be granted to His Majesty to defray the expenses of Superannuated Teachers for the year ending 31st March, 1940.

55. *Resolved*, That a sum not exceeding One million, eight hundred and thirty-one thousand dollars be granted to His Majesty to defray the expenses of Provincial and other Universities for the year ending 31st March, 1940.

56. *Resolved*, That a sum not exceeding One hundred and fifty-six thousand, seven hundred and twenty-five dollars be granted to His Majesty to defray the expenses of Belleville School for the Deaf for the year ending 31st March, 1940.

57. *Resolved*, That a sum not exceeding Ninety-four thousand, one hundred dollars be granted to His Majesty to defray the expenses of Brantford School for the Blind for the year ending 31st March, 1940.

58. *Resolved*, That a sum not exceeding Seventy-one thousand, nine hundred dollars be granted to His Majesty to defray the expenses of Main Office, Department of Game and Fisheries for the year ending 31st March, 1940.

59. *Resolved*, That a sum not exceeding Two hundred and fifty thousand, five hundred dollars be granted to His Majesty to defray the expenses of Districts, Department of Game and Fisheries, for the year ending 31st March, 1940.

60. *Resolved*, That a sum not exceeding Thirty-four thousand dollars be granted to His Majesty to defray the expenses of Game Animals and Birds, Department of Game and Fisheries, for the year ending 31st March, 1940.

61. *Resolved*, That a sum not exceeding Five hundred dollars be granted to His Majesty to defray the expenses of Experimental Fur Farm, Department of Game and Fisheries, for the year ending 31st March, 1940.

62. *Resolved*, That a sum not exceeding Three thousand dollars be granted to His Majesty to defray the expenses of Macdiarmid, Department of Game and Fisheries, for the year ending 31st March, 1940.

63. *Resolved*, That a sum not exceeding Two hundred and forty-eight thousand, nine hundred and fifty dollars be granted to His Majesty to defray the



expenses of Biological and Fish Culture Branch for the year ending 31st March, 1940.

64. *Resolved*, That a sum not exceeding Seven thousand, four hundred dollars be granted to His Majesty to defray the expenses of Grants, Department of Game and Fisheries for the year ending 31st March, 1940.

65. *Resolved*, That a sum not exceeding Thirty thousand dollars be granted to His Majesty to defray the expenses of Wolf Bounty, Department of Game and Fisheries for the year ending 31st March, 1940.

66. *Resolved*, That a sum not exceeding Thirty-five thousand dollars be granted to His Majesty to defray the expenses of Main Office, General, Department of Game and Fisheries for the year ending 31st March, 1940.

67. *Resolved*, That a sum not exceeding Two hundred and four thousand, four hundred and thirty dollars be granted to His Majesty to defray the expenses of Main Office, Department of Health for the year ending 31st March, 1940.

68. *Resolved*, That a sum not exceeding Thirty-seven thousand, nine hundred and fifty dollars be granted to His Majesty to defray the expenses of Maternal and Child Hygiene and Public Health Nursing for the year ending 31st March, 1940.

69. *Resolved*, That a sum not exceeding Fourteen thousand, eight hundred and thirty dollars be granted to His Majesty to defray the expenses of Dental Service for the year ending 31st March, 1940.

70. *Resolved*, That a sum not exceeding Seventeen thousand, seven hundred and fifty dollars be granted to His Majesty to defray the expenses of Inspection of Training School for Nurses for the year ending 31st March, 1940.

71. *Resolved*, That a sum not exceeding Two hundred and thirty-six thousand, three hundred and fifty dollars be granted to His Majesty to defray the expenses of Preventable Diseases Branch for the year ending 31st March, 1940.

72. *Resolved*, That a sum not exceeding One hundred and eight thousand, nine hundred dollars be granted to His Majesty to defray the expenses of Venereal Diseases Branch for the year ending 31st March, 1940.

73. *Resolved*, That a sum not exceeding One hundred and eighty-four thousand, three hundred and thirty dollars be granted to His Majesty to defray the expenses of Tuberculosis Prevention Branch for the year ending 31st March, 1940.

74. *Resolved*, That a sum not exceeding Fifty-eight thousand, nine hundred and fifty dollars be granted to His Majesty to defray the expenses of Industrial Hygiene Branch for the year ending 31st March, 1940.

75. *Resolved*, That a sum not exceeding Forty-nine thousand and fifty dollars be granted to His Majesty to defray the expenses of Sanitary Engineering Branch for the year ending 31st March, 1940.



76. *Resolved*, That a sum not exceeding One hundred and twenty-eight thousand one hundred dollars be granted to His Majesty to defray the expenses of Laboratory Branch for the year ending 31st March, 1940.

77. *Resolved*, That a sum not exceeding Sixty-six thousand, two hundred and eighty dollars be granted to His Majesty to defray the expenses of Laboratory Divisions Branch for the year ending 31st March, 1940.

78. *Resolved*, That a sum not exceeding Four million and forty-three thousand, six hundred dollars be granted to His Majesty to defray the expenses of Hospitals, General Office, Grants, etc., General Expenses, Ontario Hospitals for the year ending 31st March, 1940.

79. *Resolved*, That a sum not exceeding Four hundred and thirty thousand, four hundred dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Brockville, for the year ending 31st March, 1940.

80. *Resolved*, That a sum not exceeding One hundred and seventy-four thousand, four hundred and fifty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Cobourg, for the year ending 31st March, 1940.

81. *Resolved*, That a sum not exceeding Seventy-four thousand, nine hundred and forty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Fort William, for the year ending 31st March, 1940.

82. *Resolved*, That a sum not exceeding Five hundred and forty-six thousand, seven hundred dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Hamilton, for the year ending 31st March, 1940.

83. *Resolved*, That a sum not exceeding Four hundred and sixty-seven thousand, seven hundred and eighty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Kingston, for the year ending 31st March, 1940.

84. *Resolved*, That a sum not exceeding Six hundred and eleven thousand, nine hundred and forty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, London, for the year ending 31st March, 1940.

85. *Resolved*, That a sum not exceeding Six hundred and seven thousand, two hundred and seventy dollars be granted to His Majesty to defray the expenses of Ontario Hospital, New Toronto, for the year ending 31st March, 1940.

86. *Resolved*, That a sum not exceeding Fifty-one thousand, one hundred and fifty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, New Toronto (Concord Unit), for the year ending 31st March, 1940.

87. *Resolved*, That a sum not exceeding Five hundred and sixty thousand, nine hundred and fifty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Orillia, for the year ending 31st March, 1940.

88. *Resolved*, That a sum not exceeding Two hundred and sixty thousand and fifty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Penetanguishene, for the year ending 31st March, 1940.

89. *Resolved*, That a sum not exceeding Six hundred and thirty-one thousand, six hundred dollars be granted to His Majesty to defray the expenses of Ontario Hospital, St. Thomas, for the year ending 31st March, 1940.

90. *Resolved*, That a sum not exceeding Four hundred and fifty seven thousand and forty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Toronto, for the year ending 31st March, 1940.

91. *Resolved*, That a sum not exceeding Seven hundred and nineteen thousand, four hundred and eighty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Whitby, for the year ending 31st March, 1940.

92. *Resolved*, That a sum not exceeding Three hundred and eighty-five thousand, six hundred and fifty dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Woodstock, for the year ending 31st March, 1940.

93. *Resolved*, That a sum not exceeding One hundred and twenty-nine thousand and thirty dollars be granted to His Majesty to defray the expenses of Toronto Psychiatric Hospital for the year ending 31st March, 1940.

94. *Resolved*, That a sum not exceeding Thirty thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Brampton, for the year ending 31st March, 1940.

95. *Resolved*, That a sum not exceeding Twenty thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospital, Port Arthur, for the year ending 31st March, 1940.

96. *Resolved*, That a sum not exceeding Four hundred and one thousand, eight hundred dollars be granted to His Majesty to defray the expenses of Main Office, Department of Highways, for the year ending 31st March, 1940.

97. *Resolved*, That a sum not exceeding Three hundred and twenty-five thousand dollars be granted to His Majesty to defray the expenses of Division Offices, Department of Highways, for the year ending 31st March, 1940.

98. *Resolved*, That a sum not exceeding Seventy-five thousand dollars be granted to His Majesty to defray the expenses of Municipal Roads Branch for the year ending 31st March, 1940.

99. *Resolved*, That a sum not exceeding Fifty thousand dollars be granted to His Majesty to defray the expenses of Gasoline Tax Branch for the year ending 31st March, 1940.

100. *Resolved*, That a sum not exceeding Twenty thousand dollars be granted to His Majesty to defray the expenses of Miscellaneous Permits Branch for the year ending 31st March, 1940.

101. *Resolved*, That a sum not exceeding Ninety-three thousand dollars be granted to His Majesty to defray the expenses of Equipment Branch for the year ending 31st March, 1940.

102. *Resolved*, That a sum not exceeding One hundred and sixty-five thousand dollars be granted to His Majesty to defray the expenses of Motor Vehicles Branch for the year ending 31st March, 1940.
103. *Resolved*, That a sum not exceeding Sixty-seven thousand, one hundred dollars be granted to His Majesty to defray the expenses of Main Office, Department of Insurance for the year ending 31st March, 1940.
104. *Resolved*, That a sum not exceeding Sixty-three thousand, five hundred and ninety-six dollars and fifty-five cents be granted to His Majesty to defray the expenses of Main Office, Department of Labour, for the year ending 31st March, 1940.
105. *Resolved*, That a sum not exceeding Twenty thousand and fifty-five dollars be granted to His Majesty to defray the expenses of Industry and Labour Board for the year ending 31st March, 1940.
106. *Resolved*, That a sum not exceeding Thirty-three thousand, four hundred and thirty dollars be granted to His Majesty to defray the expenses of Apprenticeship Branch for the year ending 31st March, 1940.
107. *Resolved*, That a sum not exceeding Twenty thousand, six hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Boiler Inspection Branch for the year ending 31st March, 1940.
108. *Resolved*, That a sum not exceeding Nine thousand, nine hundred and seventy dollars be granted to His Majesty to defray the expenses of Factory Inspection Branch for the year ending 31st March, 1940.
109. *Resolved*, That a sum not exceeding Twenty-eight thousand, seven hundred and fifty-five dollars be granted to His Majesty to defray the expenses of Board of Examiners of Operating Engineers for the year ending 31st March, 1940.
110. *Resolved*, That a sum not exceeding Two hundred and thirty-four thousand, four hundred and fifty dollars be granted to His Majesty to defray the expenses of Employment Offices for the year ending 31st March, 1940.
111. *Resolved*, That a sum not exceeding Forty thousand, five hundred dollars be granted to His Majesty to defray the expenses of Minimum Wage Board for the year ending 31st March, 1940.
112. *Resolved*, That a sum not exceeding One hundred and fifteen thousand, three hundred and eighty-five dollars be granted to His Majesty to defray the expenses of Composite Inspection Division for the year ending 31st March, 1940.
113. *Resolved*, That a sum not exceeding Seventy-five thousand dollars be granted to His Majesty to defray the expenses of Workmen's Compensation Board for the year ending 31st March, 1940.
114. *Resolved*, That a sum not exceeding One hundred and seventy-two thousand, two hundred dollars be granted to His Majesty to defray the expenses



of Main Office, Department of Lands and Forests, for the year ending 31st March, 1940.

115. *Resolved*, That a sum not exceeding Twenty-eight thousand, six hundred dollars be granted to His Majesty to defray the expenses of Agents, Department of Lands and Forests for the year ending 31st March, 1940.

116. *Resolved*, That a sum not exceeding Sixteen thousand, three hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Rondeau Provincial Park for the year ending 31st March, 1940.

117. *Resolved*, That a sum not exceeding Six thousand dollars be granted to His Majesty to defray the expenses of Ipperwash Beach Provincial Park for the year ending 31st March, 1940.

118. *Resolved*, That a sum not exceeding Four thousand dollars be granted to His Majesty to defray the expenses of New Parks, Department of Lands and Forests for the year ending 31st March, 1940.

119. *Resolved*, That a sum not exceeding Eighty-seven thousand dollars be granted to His Majesty to defray the expenses of Forests Branch, Department of Lands and Forests, for the year ending 31st March, 1940.

120. *Resolved*, That a sum not exceeding One million, six hundred and forty thousand, two hundred and forty-five dollars be granted to His Majesty to defray the expenses of Forests Service for the year ending 31st March, 1940.

121. *Resolved*, That a sum not exceeding Two hundred and fifty-two thousand, five hundred dollars be granted to His Majesty to defray the expenses of Air Service, Department of Lands and Forests, for the year ending 31st March, 1940.

122. *Resolved*, That a sum not exceeding Sixty thousand dollars be granted to His Majesty to defray the expenses of Radio Service, Department of Lands and Forests, for the year ending 31st March, 1940.

123. *Resolved*, That a sum not exceeding Nine thousand dollars be granted to His Majesty to defray the expenses of Woodmen's Employment Act for the year ending 31st March, 1940.

124. *Resolved*, That a sum not exceeding Fifteen thousand dollars be granted to His Majesty to defray the expenses of Clearing Townsites and Removal of Fire Hazards for the year ending 31st March, 1940.

125. *Resolved*, That a sum not exceeding Seventeen thousand, nine hundred dollars be granted to His Majesty to defray the expenses of Insect Control and Tree Diseases, Department of Lands and Forests, for the year ending 31st March, 1940.

126. *Resolved*, That a sum not exceeding One hundred and thirty-eight thousand dollars be granted to His Majesty to defray the expenses of Main



Office, Surveys, etc., Department of Lands and Forests, for the year ending 31st March, 1940.

127. *Resolved*, That a sum not exceeding Three hundred and twenty-eight thousand, six hundred dollars be granted to His Majesty to defray the expenses of Reforestation for the year ending 31st March, 1940.

128. *Resolved*, That a sum not exceeding Two hundred and fifty-five thousand, six hundred dollars be granted to His Majesty to defray the expenses of Office of the Speaker for the year ending 31st March, 1940.

129. *Resolved*, That a sum not exceeding Thirteen thousand, one hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Office of Law Clerk for the year ending 31st March, 1940.

130. *Resolved*, That a sum not exceeding Four thousand, eight hundred dollars be granted to His Majesty to defray the expenses of Office of Crown-in-Chancery for the year ending 31st March, 1940.

131. *Resolved*, That a sum not exceeding Ten thousand dollars be granted to His Majesty to defray the expenses of Office of Lieutenant-Governor for the year ending 31st March, 1940.

132. *Resolved*, That a sum not exceeding Three hundred and thirty-seven thousand, seven hundred and fifty dollars be granted to His Majesty to defray the expenses of Main Office, Department of Mines for the year ending 31st March, 1940.

133. *Resolved*, That a sum not exceeding Nine thousand, two hundred dollars be granted to His Majesty to defray the expenses of Gas and Oil Well Inspectors Branch for the year ending 31st March, 1940.

134. *Resolved*, That a sum not exceeding Five thousand dollars be granted to His Majesty to defray the expenses of Sulphur Fumes Arbitrator for the year ending 31st March, 1940.

135. *Resolved*, That a sum not exceeding Seventeen thousand, five hundred dollars be granted to His Majesty to defray the expenses of Temiskaming Testing Laboratories for the year ending 31st March, 1940.

136. *Resolved*, That a sum not exceeding Forty-eight thousand, five hundred dollars be granted to His Majesty to defray the expenses of Offices of Mining Recorders for the year ending 31st March, 1940.

137. *Resolved*, That a sum not exceeding Seven thousand, six hundred dollars be granted to His Majesty to defray the expenses of Draughtsman, North Bay, for the year ending 31st March, 1940.

138. *Resolved*, That a sum not exceeding One hundred and ninety-six thousand, six hundred and fifty dollars be granted to His Majesty to defray the expenses of Main Office, Department of Municipal Affairs, for the year ending 31st March, 1940.

139. *Resolved*, That a sum not exceeding Thirty-one thousand, two hundred dollars be granted to His Majesty to defray the expenses of Ontario Municipal Board for the year ending 31st March, 1940.

140. *Resolved*, That a sum not exceeding Twenty-one thousand and twenty-five dollars be granted to His Majesty to defray the expenses of Main Office, Department of Prime Minister, for the year ending 31st March, 1940.

141. *Resolved*, That a sum not exceeding Ten thousand, nine hundred and fifty dollars be granted to His Majesty to defray the expenses of Office of Executive Council for the year ending 31st March, 1940.

142. *Resolved*, That a sum not exceeding Sixty-five thousand dollars be granted to His Majesty to defray the expenses of Travel and Publicity Bureau for the year ending 31st March, 1940.

143. *Resolved*, That a sum not exceeding Twelve thousand, two hundred and sixty dollars be granted to His Majesty to defray the expenses of Office of Civil Service Commissioner for the year ending 31st March, 1940.

144. *Resolved*, That a sum not exceeding Thirty-six thousand, seven hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Office of King's Printer for the year ending 31st March, 1940.

145. *Resolved*, That a sum not exceeding Eleven thousand, nine hundred and ten dollars be granted to His Majesty to defray the expenses of Office of Controller of Finances for the year ending 31st March, 1940.

146. *Resolved*, That a sum not exceeding One hundred and thirteen thousand, five hundred dollars be granted to His Majesty to defray the expenses of Provincial Auditor for the year ending 31st March, 1940.

147. *Resolved*, That a sum not exceeding Fifty-nine thousand, three hundred and fifteen dollars be granted to His Majesty to defray the expenses of Main Office, Department of Provincial Secretary, for the year ending 31st March, 1940.

148. *Resolved*, That a sum not exceeding Fifty-three thousand, one hundred and sixty-five dollars be granted to His Majesty to defray the expenses of Registrar-General's Branch for the year ending 31st March, 1940.

149. *Resolved*, That a sum not exceeding One hundred and fifty thousand and twenty-five dollars be granted to His Majesty to defray the expenses of Main Office, Reformatories and Prisons Branch for the year ending 31st March, 1940.

150. *Resolved*, That a sum not exceeding Seventeen thousand dollars be granted to His Majesty to defray the expenses of Board of Parole for the year ending 31st March, 1940.

151. *Resolved*, That a sum not exceeding Seven hundred and seventy thousand dollars be granted to His Majesty to defray the expenses of Ontario Reformatory, Guelph, for the year ending 31st March, 1940.

152. *Resolved*, That a sum not exceeding One hundred and twenty-nine thousand, five hundred dollars be granted to His Majesty to defray the expenses of Ontario Reformatory, Mimico, for the year ending 31st March, 1940.

153. *Resolved*, That a sum not exceeding One hundred and seventy thousand dollars be granted to His Majesty to defray the expenses of Mercer Reformatory, Toronto, for the year ending 31st March, 1940.

154. *Resolved*, That a sum not exceeding Four hundred and fifty-seven thousand dollars be granted to His Majesty to defray the expenses of Industrial Farm, Burwash, for the year ending 31st March, 1940.

155. *Resolved*, That a sum not exceeding One hundred and fifty-five thousand dollars be granted to His Majesty to defray the expenses of Ontario Training School for Boys, Bowmanville, for the year ending 31st March, 1940.

156. *Resolved*, That a sum not exceeding Seventy-five thousand dollars be granted to His Majesty to defray the expenses of Ontario Training School for Girls, Galt, for the year ending 31st March, 1940.

157. *Resolved*, That a sum not exceeding Ninety thousand, five hundred and forty dollars be granted to His Majesty to defray the expenses of Main Office, Department of Provincial Treasurer, for the year ending 31st March, 1940.

158. *Resolved*, That a sum not exceeding Ten thousand, seven hundred and thirty-five dollars be granted to His Majesty to defray the expenses of Office of Budget Committee for the year ending 31st March, 1940.

159. *Resolved*, That a sum not exceeding Thirty-eight thousand, six hundred and seventy-five dollars be granted to His Majesty to defray the expenses of Motion Picture Censorship and Theatre Inspections for the year ending 31st March, 1940.

160. *Resolved*, That a sum not exceeding Four hundred and seventy-two thousand, eight hundred and sixty dollars be granted to His Majesty to defray the expenses of Controller of Revenue Branch for the year ending 31st March 1940.

161. *Resolved*, That a sum not exceeding One hundred and forty-nine thousand, three hundred and fifteen dollars be granted to His Majesty to defray the expenses of Post Office for the year ending 31st March, 1940.

162. *Resolved*, That a sum not exceeding Eight hundred thousand dollars be granted to His Majesty to defray the expenses of Main Office, Department of Provincial Treasurer, for the year ending 31st March, 1940.

163. *Resolved*, That a sum not exceeding Two Hundred and twenty-seven thousand dollars be granted to His Majesty to defray the expenses of Main Office, Department of Public Welfare for the year ending 31st March, 1940.

164. *Resolved*, That a sum not exceeding One hundred and sixty-four



thousand, one hundred dollars be granted to His Majesty to defray the expenses of Children's Aid Branch for the year ending 31st March, 1940.

165. *Resolved*, That a sum not exceeding Five million, three hundred and seven thousand, seven hundred dollars be granted to His Majesty to defray the expenses of Mothers' Allowances Commission for the year ending 31st March, 1940.

166. *Resolved*, That a sum not exceeding Three million, five hundred and fifty-two thousand, five hundred dollars be granted to His Majesty to defray the expenses of Old Age Pensions Commission for the year ending 31st March, 1940.

167. *Resolved*, That a sum not exceeding Ten million, three hundred and eighty thousand, six hundred dollars be granted to His Majesty to defray the expenses of Branches, Old Age Pensions Commission, for the year ending 31st March, 1940.

168. *Resolved*, That a sum not exceeding One hundred and one thousand, two hundred dollars be granted to His Majesty to defray the expenses of Main Office, Department of Public Works, for the year ending 31st March, 1940.

169. *Resolved*, That a sum not exceeding Twenty-six thousand, five hundred dollars be granted to His Majesty to defray the expenses of General Superintendence, Department of Public Works, for the year ending 31st March, 1940.

170. *Resolved*, That a sum not exceeding Four thousand, six hundred dollars be granted to His Majesty to defray the expenses of Lieutenant-Governor's Apartment for the year ending 31st March, 1940.

171. *Resolved*, That a sum not exceeding Four hundred and twenty-one thousand, three hundred and thirty dollars be granted to His Majesty to defray the expenses of Legislative and Departmental Buildings, Department of Public Works, for the year ending 31st March, 1940.

172. *Resolved*, That a sum not exceeding Thirty-six thousand, three hundred dollars be granted to His Majesty to defray the expenses of Osgoode Hall, Department of Public Works, for the year ending 31st March, 1940.

173. *Resolved*, That a sum not exceeding Forty-one thousand dollars be granted to His Majesty to defray the expenses of Educational Buildings, Department of Public Works, for the year ending 31st March, 1940.

174. *Resolved*, That a sum not exceeding Thirty-two thousand dollars be granted to His Majesty to defray the expenses of Agricultural Buildings, Department of Public Works, for the year ending 31st March, 1940.

175. *Resolved*, That a sum not exceeding Two thousand, five hundred dollars be granted to His Majesty to defray the expenses of Training Schools, Department of Public Works, for the year ending 31st March, 1940.

176. *Resolved*, That a sum not exceeding Fifty-one thousand three hundred



and seventy dollars be granted to His Majesty to defray the expenses of District Buildings, Department of Public Works, for the year ending 31st March, 1940.

177. *Resolved*, That a sum not exceeding Forty-one thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospitals, Department of Public Works, for the year ending 31st March, 1940.

178. *Resolved*, That a sum not exceeding Twenty thousand dollars be granted to His Majesty to defray the expenses of Public Works for the year ending 31st March, 1940.

179. *Resolved*, That a sum not exceeding Twenty-five thousand, five hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous, Department of Public Works, for the year ending 31st March, 1940.

180. *Resolved*, That a sum not exceeding Forty-six thousand, five hundred dollars be granted to His Majesty to defray the expenses of Agricultural Buildings, Department of Public Works, for the year ending 31st March, 1940.

181. *Resolved*, That a sum not exceeding Fifty thousand dollars be granted to His Majesty to defray the expenses of Educational Buildings, Department of Public Works, for the year ending 31st March, 1940.

182. *Resolved*, That a sum not exceeding Three million, nine hundred and forty thousand dollars be granted to His Majesty to defray the expenses of Ontario Hospitals, Department of Public Works, for the year ending 31st March, 1940.

183. *Resolved*, That a sum not exceeding One hundred and fifty-two thousand dollars be granted to His Majesty to defray the expenses of Ontario Reformatories, Department of Public Works, for the year ending 31st March, 1940.

184. *Resolved*, That a sum not exceeding Forty-six thousand, five hundred dollars be granted to His Majesty to defray the expenses of District Buildings, Department of Public Works, for the year ending 31st March, 1940.

185. *Resolved*, That a sum not exceeding Five thousand dollars be granted to His Majesty to defray the expenses of Provincial Parks, Department of Public Works, for the year ending 31st March, 1940.

186. *Resolved*, That a sum not exceeding Eighty-two thousand dollars be granted to His Majesty to defray the expenses of Fish Hatcheries, Department of Public Works, for the year ending 31st March, 1940.

187. *Resolved*, That a sum not exceeding Thirty thousand dollars be granted to His Majesty to defray the expenses of Forestry, Department of Public Works, for the year ending 31st March, 1940.

188. *Resolved*, That a sum not exceeding Three hundred and ninety-two thousand dollars be granted to His Majesty to defray the expenses of Public Works for the year ending 31st March, 1940.

189. *Resolved*, That a sum not exceeding Three thousand dollars be granted to His Majesty to defray the expenses of Miscellaneous, Department of Public Works, for the year ending 31st March, 1940.

190. *Resolved*, That a sum not exceeding One hundred and four thousand, four hundred dollars be granted to His Majesty to defray the expenses of Miscellaneous for the year ending 31st March, 1940.

The several Resolutions having been read the second time were concurred in.

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The House, according to Order, resolved itself into the Committee of Ways and Means.

*(In the Committee)*

That there be granted out of the Consolidated Revenue Fund of this Province a sum not exceeding Sixty-three million, one hundred and twenty-two thousand, seven hundred and five dollars and ninety cents to meet the Supply to that extent granted to His Majesty.

Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had come to a Resolution.

*Ordered*, That the Report be received forthwith.

Mr. Patterson, from the Committee on Ways and Means, reported a Resolution, which was read as follows:—

That there be granted out of the Consolidated Revenue Fund of this Province a sum not exceeding Sixty-three million, one hundred and twenty-two thousand, seven hundred and five dollars and ninety cents to meet the Supply to that extent granted to His Majesty.

The Resolution, having been read the second time, was agreed to.

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On motion of Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That the full Sessional Indemnity be paid to those Members absent on account of illness or other unavoidable cause.

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The following Bill was then introduced and read the first time:—

Bill (No. 99), intituled, "An Act for granting to His Majesty certain sums

of Money for the Public Service of the Financial Year ending the 31st day of March, 1940." *Mr. Hepburn* (Elgin).

*Ordered*, That the Bill be read the second time forthwith.

The Bill was then read a second time.

*Ordered*, That the Bill be read a third time forthwith.

The Bill was then read the third time and passed.

Mr. Macaulay asked the following Question (No. 46):—

1. What contracts for the grading, construction or improvement of highways or building of bridges have been let by the Department of Highways without advertisement for tenders during the period April 1st, 1937, to date, giving: (a) Date of contract; (b) Name of contractor; (c) Amount paid; (d) Location of work; (e) Mileage or length of construction. 2. What extensions of contracts for the grading, construction or improvement of highways have been let by the Department of Highways without advertisement for tenders during the period April 1st, 1937, to date, giving: (a) Date of extension; (b) Date of original contract referred to by extension; (c) Name of contractor; (d) Amount paid; (e) Location of work; (f) Mileage or length of construction.

N.B.—No details need be given of extensions covered in Sessional Paper No. 56, 20th Legislature, 2nd Session, 1938.

The Honourable the Minister of Highways replied as follows:—

	(a) Date of Extension	(b) Date of Original Contract	(c) Name of Contractor	(e) Location	(f) Mileage
1. Nil.					
2.					
37-38	Sept. 9, 1938	Apr. 6, 1937	Construction and Paving Co. of Ontario Ltd.	From Intersection Highways 17 and 70, South 6 miles.	6
37-79	July 5, 1938	Apr. 21, 1937	McNamara Construction Co. Ltd.	Englehart North.	14
37-112	Sept. 14, 1938	May 20, 1937	Warren Bituminous Paving Co. Ltd.	South of Cameron.	.5
37-180	Oct. 28, 1938	May 20, 1937	McNamara Construction Co. Ltd.	Between Porquis Junction and Iroquois Falls.	3 (approximately)
37-230	July 11, 1938	July 7, 1937	Scott Jackson Construction Ltd.	North Village of Lyons.	7.25
37-234	Sept. 23, 1938	July 7, 1937	A. Cope and Sons Ltd.	Homer Cloverleaf.	
37-255	Nov. 1, 1938	Aug. 5, 1937	Patterson Paving Co. Ltd.	Church St Overpass.	3.7
37-258	Aug. 3, 1938	Aug. 5, 1937	Wallace A. Mackey Ltd.	2 miles west of Hagar westerly.	
37-264	Aug. 3, 1938	Aug. 5, 1937	Ontario Construction Co. Ltd.	C.P.R. to Wanapitae River.	3
37-270	Aug. 26, 1938	Aug. 3, 1937	Ravner Construction Ltd.	East of Keewatin Bridge.	.5
37-277	Oct. 27, 1938	Sept. 7, 1937	Construction and Paving Co. of Ontario Ltd.	Nestor Falls North.	7
38-27	Dec. 14, 1938	July 27, 1938	Goldie Construction Co. Ltd.	Martindale Underpass.	200 feet
38-43	Sept. 21, 1938	Aug. 24, 1938	Routly Construction Co. Ltd.	Port Perry to Highway No. 28.	Gravel as required
38-45	Jan. 3, 1939	Aug. 24, 1938	F. Munroe.	Near Lost River.	2 culverts

2 (d). The original contract and extensions are considered as a whole when payments are made. Extensions as approved are considered as authority to add to the lump sum value of the original contract, the value of the extension, unit prices in extensions being exactly the same as in the original. Work is accordingly carried ahead as if the original and the extension were one project and no effort made to separate the quantities. Because of this we find it impossible to answer this part of the question.



2.	(a) Date of Extension	(b) Date of Original Contract	(c) Name of Contractor	(d) Amount Paid	(e) Location	(f) Mileage
36-96	Dec. 30, 1938	July 16, 1936	Hadley McHaffie Construction Co. Ltd.	\$ 89,016.70	2 miles west of North Bay, westerly	9
37-31	Jan. 3, 1939	Apr. 7, 1937	King Paving Co. Ltd.	81,327.41	Between Sturgeon Falls and 10 miles west	.....
37-41	Jan. 19, 1939	Apr. 7, 1937	Frontenac Construction Co. Ltd.	107,948.58	From Glen Orchard North	3
39-49	Jan. 3, 1939	July 15, 1937	King Paving Co. Ltd.	307,199.40	West of Spanish, West of Massey	.....
37-77	Jan. 17, 1939	Apr. 21, 1937	Malvern Construction Co.	17,828.60	West of Blind River	.....
37-78	Jan. 3, 1939	Apr. 21, 1937	Geo. S. Grant Construction Co. Ltd.	72,977.53	Gordon's Bay to Footes Bay	6
37-80	Jan. 3, 1939	Apr. 21, 1937	Angus & Taylor Ltd.	138,182.17	Utterson North, south of Bracebridge	2 1/4
37-88	Jan. 3, 1939	Apr. 21, 1937	Long Lac Construction Co. Ltd.	45,231.36	Shebandowan Road	.....
37-90	Jan. 3, 1939	Apr. 21, 1937	Bond Construction Co. Ltd.	89,694.50	5 miles south of Nestor Falls to 13 miles south, also Log River bridge	.....
37-218	Jan. 17, 1939	July 7, 1937	Rayner Construction Ltd.	20,575.92	West of Thessalon	.....
37-222	Dec. 3, 1938	July 7, 1937	Dominion Construction Corp. Ltd.	124,083.96	North of Otto Twp. overhead to Kirkland Lake	3
37-223	Dec. 20, 1938	July 7, 1937	McNamara Construction Co. Ltd.	22,885.90	Matheson to Raymore	11
37-258 Ex.	Jan. 1, 1939	Aug. 5, 1937	Wallace A. Mackey Ltd.	188,489.90	Hagar West, 2 miles	2
37-260 Ex.	Feb. 2, 1939	Aug. 5, 1937	Johnson Bros. Co. Ltd.	89,235.55	Between Bobcaygeon and Buckhorn	.....
37-264 Ex.	Jan. 3, 1939	Aug. 5, 1937	Ontario Construction Co. Ltd.	55,757.49	Between Wanapitae and Sudbury	3/4
37-270 Ex.	Jan. 6, 1939	Aug. 3, 1937	Rayner Construction Ltd.	23,382.30	Entrance to Keewatin Village	.....
37-273 Ex.	Jan. 31, 1939	Aug. 5, 1937	Rayner Construction Ltd.	39,796.00	Between Geraldton and Long Lac, between Long Lac and 6 miles west	.....
37-279	Jan. 3, 1939	Nov. 25, 1937	Chambers McQuigge McCaffrey Co. Ltd.	57,674.28	From Temiskaming South Boundary north 6 miles	6
37-280	Dec. 30, 1938	Nov. 25, 1937	Dominion Construction Corp. Ltd.	109,536.73	From 5.6 miles south of Nipissing	6
37-284	Jan. 3, 1939	Nov. 25, 1937	L. T. Martin Ltd.	154,925.64	North boundary southerly 6 miles from 4 miles south of Temagami, 5.3 miles	3
38-29	Jan. 17, 1939	Aug. 24, 1938	Sterling Construction Co. Ltd.	42,305.75	Desbarats West and Ferry Road, St. Joe Island	.....
38-68	Jan. 12, 1939	Nov. 16, 1938	McNamara Construction Co. Ltd.	33,800.00	{ West of Hearst..... West of Cochrane.....	25 15

2 (d). The above extensions were under agreement with the Dominion Government to give relief by way of winter work. Under the terms of the agreement it was necessary to keep the cost separate from the original contract. 50% of the above expenditure will be returned to the Department in accordance with the terms of the agreement.

The Order of the Day for resuming the Adjourned Debate on the Motion calling for the dismissal of Professor Grube of Trinity University and Professor Underhill of Toronto University, having been read,

The Debate resumed, and after some time, by consent of the House, the Motion was allowed to be withdrawn.

Mr. Drew moved, seconded by Mr. Glass,

That in the opinion of this House enquiry should be conducted under the Public Enquiries Act into the activities of organizations in this Province which are seeking to destroy our democratic institutions.

A Debate ensued, and, after some time, by consent of the House, the Motion was allowed to be withdrawn.

The House resolved itself into a Committee to consider Bill (No. 77), An Act to Recognize in Law the Right of Employees to Organize for the Furtherance of their Lawful Interests, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him not to report the Bill.

Regarding Question (No. 50), the Honourable the Minister of Highways required that this Question be made a Motion for a Return to the Order of the House.

On motion of Mr. Arnott, seconded by Mr. Murphy,

*Ordered*, That there be laid before this House a Return showing: How much did the new bridge on Highway No. 11 situated in Burks Falls and opened in 1938, cost; (a) What was the amount of the original contract; (b) If changes were made what did these alterations cost; (c) How many engineers, surveyors, inspectors and superintendents were employed in connection with this structure.

On motion of Mr. Hepburn (Elgin), seconded by Mr. Nixon (Brant),

*Ordered*, That the Select Committee of this House authorized by the House on the 18th instant to investigate, enquire into and report on all matters pertaining to the administration, licensing, sale, supervision and conservation of natural resources by the Department of Lands and Forests, be constituted as follows and be authorized to sit during the recess of the House:—

Mr. Leduc, Chairman, and Messrs. Campbell (Sault Ste. Marie), Cooper, Drew, Elliott, Nixon (Brant), Nixon (Temiskaming), Oliver, Spence and Welsh.

The Provincial Secretary presented to the House, by command of The Honourable the Lieutenant-Governor:—

Report of the Ontario Veterinary College for the year 1938. (*Sessional Papers No. 29.*)

Also, Report relating to the Registration of Births, Marriages and Deaths in the Province of Ontario for year ending December 31st, 1938. (*Sessional Papers No. 13.*)

Also, Report of the Minister of Agriculture for year ending March 31st, 1938. (*Sessional Papers No. 21.*)

Also, Report of the Statistics Branch, Department of Agriculture, for the year 1938. (*Sessional Papers No. 22.*)

Also, Report of the Department of Education, Ontario, for year ending October 31st, 1938. (*Sessional Papers No. 11.*)

Also, Report of the Superintendent of Insurance for year ending December 31st, 1938. (*Sessional Papers No. 6.*)

Also, Report of the Registrar of Loan Corporations for year ending December 31st, 1938. (*Sessional Papers No. 7.*)

Also, Report of the Department of Highways for year ending March 31st, 1938. (*Sessional Papers No. 32.*)

Also, Report upon Prisons and Reformatories of the Province of Ontario for year ending March 31st, 1939. (*Sessional Papers No. 53.*)

Also, Report upon The Industrial Schools and Training Schools of the Province of Ontario for year ending March 31st, 1939. (*Sessional Papers No. 54.*)

Also, Report of the Department of Municipal Affairs for the Province of Ontario, 1938-1939. (*Sessional Papers No. 31.*)

Also, Report of the Department of Mines for year ending March 31st, 1938. (*Sessional Papers No. 4.*)

The Honourable the Lieutenant-Governor entered the Chamber of the Legislative Assembly and being seated upon the Throne,

Mr. Speaker addressed His Honour in the following words:—

*May it please Your Honour:*

The Legislative Assembly of the Province has at its present Sittings thereof passed several Bills to which, in the name and on behalf of the said Legislative Assembly, I respectfully request Your Honour's Assent.

The Clerk Assistant then read the titles of the Acts that had passed severally as follows:—

An Act respecting the Township of Nepean.

An Act respecting the City of Chatham.

An Act respecting the Town of Leaside.

An Act respecting the City of Port Arthur.

An Act respecting the Town of Waterloo.

An Act respecting the Roman Catholic Episcopal Corporation for the Diocese of Alexandria.

An Act respecting L'Institut Canadien Français de la Cité d'Ottawa.

An Act respecting the Township of Trafalgar.

An Act respecting the City of Toronto.

An Act respecting the Township of Barton.

An Act respecting the Township of King.

An Act respecting the Trustee Board of The Presbyterian Church in Canada.

An Act respecting the Town of Trout Creek.

An Act respecting the Township of Sandwich West.

An Act to authorize the Law Society of Upper Canada to Admit Aurélien Bélanger as a Barrister and Solicitor.

An Act respecting the City of London.

An Act respecting The Women's Christian Association of Belleville.

An Act respecting the Township of Etobicoke.

An Act respecting The Crescent School.

An Act respecting the Cities of Port Arthur and Fort William.

An Act respecting the Rideau Club.

An Act to incorporate the City of Ottawa Superannuation Fund.

An Act respecting the Estate of Margaret Emma Bingham, deceased, and the Toronto General Hospital.



- An Act to amend The Coroners Act.
- An Act to amend The Insurance Act.
- An Act to amend The Optometry Act.
- The Training Schools Act, 1939.
- An Act to amend The Sanatoria for Consumptives Act.
- An Act to amend The Highway Improvement Act.
- An Act to amend The Limitations Act.
- An Act to amend The Mortgages Act.
- An Act respecting Collection Agencies.
- An Act to amend The Constables Act.
- An Act respecting the Changing of Names.
- The Municipal Amendment Act, 1939.
- An Act to amend The Public Health Act.
- An Act respecting the Sandwich, Windsor and Amherstburg Railway.
- The Guelph Railway Act, 1939.
- An Act to amend The Rural Hydro-Electric Distribution Act.
- An Act to amend The Power Commission Act.
- An Act to amend The Highway Traffic Act.
- The School Law Amendment Act, 1939.
- An Act to amend The Municipal Subsidy Act.
- An Act to amend The Game and Fisheries Act.
- An Act respecting the Village of Lion's Head.
- An Act to amend The Workmen's Compensation Act.
- An Act to amend The Counties Reforestation Act.
- An Act to amend The Assessment Act.
- An Act to amend The Liquor Control Act.

The Statute Law Amendment Act, 1939.

The Unemployment Insurance Act, 1939.

An Act respecting Credit Unions.

An Act respecting a Company to be known as the Southern Algoma Railway Company.

An Act for Raising Money on the Credit of the Consolidated Revenue Fund.

To these Acts the Royal Assent was announced by the Clerk of the Legislative Assembly in the following words:—

“In His Majesty’s name, His Honour the Lieutenant-Governor doth assent to these Acts.”

Mr. Speaker then said:—

*May it please Your Honour:*

We, His Majesty’s most dutiful and faithful subjects, the Legislative Assembly of the Province of Ontario, in Session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to His Majesty’s person and Government, and humbly beg to present for Your Honour’s acceptance a Bill intituled, “An Act for granting to His Majesty certain sums of money for the Public Service of the financial year ending the 31st day of March, 1940.”

To this Act the Royal Assent was announced by the Clerk of the Legislative Assembly in the following words:—

“The Honourable the Lieutenant-Governor doth thank His Majesty’s dutiful and loyal Subjects, accept their benevolence and assent to this Bill in His Majesty’s name.”

His Honour was then pleased to deliver the following speech:—

*Mr. Speaker and Gentlemen of the Legislative Assembly:*

As your Sessional duties have been completed, I am now able to relieve you of further attendance, and in doing so I desire to express my appreciation of the services you have rendered.

Overshadowing all other considerations during the past few weeks have been the patient efforts of Britain and France to hold the delicate balance between Peace and War in face of recent breaches of international law and good faith, and it has become increasingly evident that the collaboration of the peace-loving nations of the world will form the most effective barrier against war.

It is, therefore, very gratifying to me, as His Majesty's representative in Ontario, to mark the unanimity with which this Assembly, sinking all differences, expressed itself on the necessity for united action by all parts of the British Empire in defence of our free Institutions. I am confident that the Resolution you passed, calling in unequivocal language for the immediate mobilization of both wealth and man-power in the event of an emergency, will have its effect far beyond the boundaries of this Province and Dominion.

The continuous threat of war has naturally caused considerable speculation with respect to the impending visit to Canada of Their Majesties, King George VI and Queen Elizabeth, but except for the actual outbreak of hostilities, which does not now seem imminent, it is not considered that present plans will be altered. Details of the preparations being made in Ontario have already been outlined to you, and I trust that when Their Majesties visit this Assembly on the 22nd of May, you will all be able to take part in this happy and historic event.

The Budget of the Provincial Treasurer reveals the increasing demands made upon the public purse for Health, Education, Unemployment Relief, Agriculture, Highways, and the various other services provided by the Province, and under these circumstances, it is a matter for gratification that the Government has been able to report a surplus on the past year's operations and to budget for a small surplus for the coming year. The ability of the Province to meet all its current expenditures from Revenue for several years past, including the heavy demands for Unemployment Relief, demonstrates the inherent stability of the Province, while the high value placed upon Ontario securities in the markets of the world reflects the confidence of the investing public in the prudent financing methods of the Government.

In view of the conflict of authority and divergent verdicts by the Courts, rendering enforcement impossible, a Resolution was passed by this Assembly asking the Dominion Government to repeal the Canada Temperance Act as it applies to Ontario, and thus bring the entire Province under the more restrictive provisions of The Liquor Control Act. It was considered that this direct approach to a harassing problem of long standing was preferable to the delays and heavy expense involved in a reference to the higher Courts.

The discriminatory railway rates on Ontario wheat as compared with Western and United States wheat was also the subject of a unanimous Resolution from this House, and it is hoped protest to the Dominion authorities will result in this situation being remedied.

A revision of the Gasoline Tax from six to eight cents was made effective from April 1st, and municipalities will share in the increased revenue to the extent of one-half mill on their assessments. This makes a total of one and one-half mills now being contributed by the Government for the relief of municipal taxpayers in an effort to lighten the heavy burden carried by real estate and thus stimulate building activity.

A change in The Corporation Tax Act reduces the tax on paid-up capital and increases the levy on income, this being considered a more equitable basis.

Further assistance to municipalities in mining districts has been furnished

by an Amendment to The Assessment Act, which will allow them to derive some additional revenue from the mines. With a view to safeguarding still further those engaged in dust exposure occupations in the mining industry, the regulations and the provisions of the Act relating to physical examinations have been completely revised.

The Unemployment Insurance Act which you have passed deals with a question of grave national importance, and the Government is now in a position to make effective in Ontario the provisions of any scheme which may be enacted by the Dominion Parliament. Similar enabling legislation has passed third reading in the Quebec Legislature.

An Amendment to The Liquor Control Act permits a member of the Assembly to be a member or Chairman of the Liquor Control Board, and thus be in a position to present or explain the operations of the Board direct to the Legislature.

The Ontario Municipal Board has been given wider power to arrange amalgamations and annexations of municipalities or parts thereof, subject to ratification by this Legislature.

Provision has been made for restraining the publication of any material derogatory to His Majesty or any member of the Royal Family, and elected municipal officials are also required to take the Oath of Allegiance.

An Amendment to The Vital Statistics Act provides that where a child is born out of wedlock and the parents subsequently marry, the child may be registered as of legitimate birth.

Amateur boxers and wrestlers are brought under the jurisdiction of the Ontario Athletic Commission, and the authority of the Commission over Professional sports is clarified.

You have also made provision for the export to any part of the British Empire of Ontario hardwood, which may be used extensively in the manufacture of aeroplanes.

An Amendment to The Highway Improvement Act provides for the construction of the new divided highways as arteries for through traffic, and also permits the Government to assist in the building and maintenance of development roads in the unorganized parts of the Province. The liability of the Department of Highways and other road authorities in respect to accidents is restricted to the travelled portion of the road. Penalties are also provided for persons who operate motor vehicles carelessly though not to a degree which would constitute reckless driving.

In connection with the effort to improve police services in Ontario, Constables are given extended authority in pursuit of criminals, and the Attorney-General may direct inquiries with regard to police activities.

A measure of relief is given to mortgage covenantors who have ceased for a period of years to be interested in the mortgaged property, and the provisions of The Mortgagees' and Purchasers' Relief Act are extended for another year.



The Rules governing the Assembly have been revised in the light of experience gathered during the past ten years, and should further assist in the harmonious conduct of your deliberations.

In closing, I desire to congratulate you on the manner in which you have conducted the business of the Assembly, and for the financial provision you have made for carrying on the affairs of the Province, and I trust that under the blessings of Divine Providence the legislation you have enacted will promote the well-being of this Province and the happiness of our citizens.

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The Provincial Secretary then said:—

*Mr. Speaker and Gentlemen of the Legislative Assembly:—*

It is the will and pleasure of The Honourable the Lieutenant-Governor that this Legislative Assembly be prorogued and this Legislative Assembly is accordingly prorogued.

# Journals of the Legislative Assembly

PROVINCE OF ONTARIO

1939

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## APPENDIX No. 1

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Reports of Majority and Minority Groups  
of the Select Committee appointed by the  
Legislative Assembly of Ontario during  
the Session of 1938, to inquire into cer-  
tain contracts with Quebec Power Com-  
panies.

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Tabled in the Legislative Assembly, April 5th, 1939



## Appendix No. 1

### Report of the Majority Group of the Select Committee of the Ontario Legislature appointed to inquire into certain Hydro Contracts.

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The Committee of the Ontario Legislature appointed to inquire into various contracts between the Hydro-Electric Power Commission of Ontario and certain Quebec Power Companies begs to submit the following report:—

This Committee was appointed by resolution of the Ontario Legislature passed on March 28th, 1938, setting forth the duties and powers of the Committee as follows:—

“That a select committee of this House be appointed to inquire into the purchases of electrical power referred to in the following power contracts between:—

“(a) Hydro-Electric Power Commission of Ontario and Gatineau Power Co. dated December 14th, 1937;

“(b) Hydro-Electric Power Commission and the Beauharnois Light, Heat and Power Co. dated December 14th, 1937;

“(c) Hydro-Electric Power Commission and the MacLaren-Quebec Power Co. dated December 14th, 1937.

“Being contracts referred to in Bill No. 71 or any other power or other purchases by Hydro, or any matters relating to the administration of Hydro, and to inquire into the circumstances connected therewith, including all acts done and steps taken by any or all persons in promotion of, preparation for carrying out of or in pursuance of any contracts, such committee to consist of Messrs. Conant (Chairman), Clark, McBride, Strachan, Cooper, Haines, Newlands, Nixon (Brant), Frost, Macaulay, Baird, Challies. The Committee to have authority to sit during the recess of the House, and to summon witnesses and call for the production of all documents deemed relevant to the inquiry.”

The Committee met on May 2nd, 1938, for organization, and adjourned until May 30th. Resuming its deliberations on May 30th, sittings continued on June 1st, 2nd, 3rd, 4th, 7th, 8th, 9th, 10th and were closed on June 11th. The Committee suffered a regrettable loss in its personnel by the sudden death on Sunday, June 6th, of the Hon. M. M. McBride, who had attended the sittings prior to that date.



It is considered advisable to review briefly the events leading up to the appointment of the committee in order to appreciate the main subject which came before it for consideration. In the course of debates in the Legislature, charges were made by the Hon. Mr. Macaulay, the Leader of the Opposition. These charges were crystallized in a speech which he made in the Legislature on March 1st, 1938, in which he spoke, in part, as follows:

EXTRACT FROM SPEECH OF HON. LEOPOLD MACAULAY  
IN LEGISLATURE—MARCH 1ST, 1938.  
(*Toronto Telegram, March 2nd, 1938.*)

"He (the Prime Minister) should have told the people he was already on the way back to Beauharnois. Why didn't he tell the people he was going to make new contracts that would be 'conceived in iniquity and signed behind closed doors without the knowledge of the Legislature or union of Hydro municipalities.'

"I say that, notwithstanding pre-election pledges to the contrary, Mr. Hepburn knew some time before the election that Ontario was facing a power shortage, and that he, or someone else on his behalf, was negotiating a deal with Beauharnois, and that the election was called among other things to get a snap verdict from the people before he would have to disclose the true situation to them on Hydro.

"In order to clear up these matters, to drag them out of the subterranean passages I think there should be an investigation by a committee of the House to inquire into the following:—

"What has been the actual recommendation of the engineers to the Hydro Commission with respect to purchased power since 1934?" In this connection each of the senior engineers must speak freely and openly to the people of Ontario.

"What are the recommendations of the Hydro engineers as to the power reserves needed by the province to-day and in the future?"

"Was a power shortage imminent in 1937?"

"If so, when and where and in what manner did the Hydro engineer make recommendations thereon?"

"When and where did the Government or the Hydro or anyone on their behalf negotiate with Beauharnois and any other Quebec power companies and who did the negotiating?"

"Why did the Hydro buy more power than it needs at present from Beauharnois?"

A speech along similar lines was made by the Hon. Mr. Macaulay in the House on March 24th, 1938, when he said:—

EXTRACT FROM SPEECH OF HON. LEOPOLD MACAULAY  
IN LEGISLATURE, MARCH 24TH, 1938.  
(*Toronto Globe and Mail, March 25th, 1938.*)

"If the Government had said before the election that we have got to make a compromise with these power companies, we are threatened with a power shortage, the load has gone up and we have got to have more power, Hydro would have been out of politics to-day. Instead of that, Premier Hepburn chose to go to the people on a policy of repudiation and cancellation, although his mind was made up on a different course.

"I have the facts to show that the Hydro policy was changed before the last election. I don't say there was an agreement in black and white. But I do say that the Premier changed his mind on the back-to-Niagara policy and changed the policy before the election."

These charges by the Hon. Mr. Macaulay constituted the basis for the greater part of the evidence which was presented to the committee, and every facility was afforded the Hon. Mr. Macaulay and his associates to call witnesses and produce documentary evidence having any bearing on his charges. Much of the evidence adduced in an effort to support the charges consisted of deductions, conjectures, suspicions, innuendoes and surmises which had no foundation in fact as presented to the Committee. No witness testifying before the Committee presented any facts which substantiated the charges made in the Legislature as above quoted. Lengthy examination of Mr. T. Stewart Lyon and Mr. A. W. Roebuck failed to elicit any proof for their surmises.

On the other hand, there was an abundance of factual evidence definitely disproving the charges against the Prime Minister. The sworn evidence of R. A. C. Henry, general manager of the Beauharnois Light, Heat and Power Company; G. H. A. Montgomery, vice-president of the Beauharnois Company; Mr. Ward Wright, counsel for the Beauharnois Company; Dr. Thomas H. Hogg, chairman of the Hydro-Electric Power Commission of Ontario, and Prime Minister, the Hon. M. F. Hepburn, proved conclusively that there had been no change in Hydro policy, and no negotiations of any kind direct or indirect with the Beauharnois Light, Heat and Power Company until after the appointment of Dr. T. H. Hogg as chairman of the Hydro-Electric Power Commission of Ontario on November 1st, 1937. The evidence established conclusively, also, that the Prime Minister resisted the making of any new agreement with Beauharnois until he was convinced of the futility and danger of continuing the appeal of the adverse Beauharnois litigation to the Privy Council, and that he did not consent to the negotiation of a new contract until November 19th, 1937. The majority of the Committee find that the evidence submitted for its consideration completely exonerates the Prime Minister of the charges made against him in the Legislature by the Hon. Mr. Macaulay, then Leader of the Opposition.

To amplify and support this finding, it is necessary to review to some extent the evidence bearing on this portion of the reference to the Committee. This involves a consideration of the evidence relating to the contracts made by the Hydro-Electric Power Commission with the Gatineau Power Company, the MacLaren-Quebec Power Company, the Ottawa Valley Power Company and the Beauharnois Light, Heat and Power Company, between the years 1926 and 1931, and the cancellation of these contracts in 1935.

The estimates of load growth made in 1929 by the Hydro staff proved to be so far in excess of the actual experience as to indicate that they were largely

the result of optimistic hopes, rather than considered calculations. The onset of the depression in the late summer of 1929 should have been a warning to those in charge of Hydro affairs that a diminishing load was inevitable, and should have been sufficient to cause the officials to refrain from making the contracts of November, 1929, and February and December, 1930. As a result of these contracts, the Hydro Commission, in the immediately subsequent years, found itself loaded with surplus power, for which it had no sale, as follows:

	Excess H.P.	Cost of Excess H.P.
1930-1931.....	145,000 H.P.	\$2,175,000
1931-1932.....	315,000 H.P.	4,725,000
1932-1933.....	385,000 H.P.	5,775,000
1933-1934.....	435,000 H.P.	6,525,000
1934-1935.....	461,000 H.P.	6,915,000

Had the contracts been continued, an additional 112,000 H.P. would have been taken on in 1936, adding a further \$1,680,000 to the Hydro's costs of power for which it had no sale.

Evidence as to the effects of these excessive purchases of power on the financial position of the Commission was conclusive. In the five years, from 1931 to 1935, in spite of increases in rates, the rate stabilization fund was depleted by over \$11,000,000, the standing of the fund, in each of these years being as follows:

1931.....	\$14,631,725.88
1932.....	12,443,323.82
1933.....	9,109,648.27
1934.....	6,570,115.56
1935.....	3,848,843.66

This rate stabilization fund, which had been used to meet the deficits created by the excessive purchase of unrequired and unused Quebec Power, would have been completely wiped out by the end of 1936. The Commission would then have had to resort to the sinking fund, the renewal and obsolescence fund or the contingency fund to meet the increasing drain on finances caused by the payments for the Quebec power, or would have been compelled to make substantial increases in rates. The evidence indicated that an increase of 35 per cent. in rates would have been necessary to carry the load. This, according to the evidence, would have seriously affected the consumption of power, because rates would reach so high a level that they would be unable to compete with steam and other power. The law of diminishing returns would inevitably operate to decrease power consumption. The whole result would have been to imperil very seriously the financial structure of Hydro.

Considerable evidence was presented as to the maintenance of the sinking fund, the renewal and obsolescence fund and contingency reserves, and as to the necessity of these funds and reserves. It was brought out very clearly that these funds and reserves constitute a definite obligation for which full provision must be made every year. They are necessary to retire obligations and to provide for plant depreciation and replacement. Various properties and equipment of the Hydro-Electric Power Commission become obsolete and worn out



with the passing of years. The replacement fund is therefore necessary to replace them as their usefulness passes. The sinking fund is an essential obligation, as it is required to pay off debts of the Commission as they mature.

Concurrently with the drain on the rate stabilization fund, rates were steadily increased by the Hydro Commission in an effort to meet the losses occasioned by the Quebec contracts. Examples of the increase in rates were submitted as follows:

	1929	1935
Toronto.....	\$24.55 per H.P.	\$26.43 per H.P.
Hamilton.....	22.50 per H.P.	24.94 per H.P.
London.....	24.05 per H.P.	26.82 per H.P.

All the evidence presented on this phase of the inquiry showed the serious situation which confronted the Hydro-Electric Power Commission in 1934 and 1935, and the necessity for drastic action to save the financial fabric from destruction.

The original contracts made by the Hydro-Electric Power Commission were as follows:

(1) GATINEAU POWER COMPANY:—May 19th, 1926, 260,000 H.P. 25 cycle power, first block of 80,000 H.P. to be delivered October 1st, 1928.

(2) GATINEAU POWER COMPANY:—December 28th, 1927, 60,000 H.P. 60 cycle power, first block of 6,000 H.P. to be delivered October 1st, 1928.

(3) BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY:—November 29th, 1929, 250,000 H.P. first block of 35,000 H.P. to be delivered October 1st, 1932.

(4) OTTAWA VALLEY POWER COMPANY:—February 15th, 1930, 96,000 H.P. first block of 48,000 H.P. to be delivered October 1st, 1931.

(5) McLAREN-QUEBEC POWER COMPANY:—December 20th, 1930; 125,000 H.P. first block of 20,000 H.P. to be delivered July 1st, 1933.

While there may have been some justification for the Gatineau contracts of May 19th, 1926 for 260,000 H.P. 25 cycle power, and of December 28th, 1927, for 60,000 H.P., 60 cycle power, the same cannot be said of the further contracts made after the depression had set in and it was apparent that power loads would diminish rather than increase, these being all of the above-mentioned contracts other than Gatineau contracts.

These purchases amounted in all to a total of 791,000 H.P. at a price of \$15.00 per annum, or a total obligation of \$11,865,000 when all the power under them was being delivered.

In addition to these purchases of Quebec power, the Hydro-Electric Power Commission of Ontario made further purchase as follows:

(a) MADAWASKA DEVELOPMENT AND PROPERTIES: May 31st, 1929, for \$1,800,000.



- (b) DOMINION POWER AND TRANSMISSION Co.: March, 1931, for \$21,000,000 having an output of 50,000 H.P.

The evidence presented to the committee showed clearly the disastrous effects of these purchases on the Hydro system, and indicated that, if these contracts had been continued as made, the Hydro financial position would have become very critical by 1937.

Much of the evidence presented to the committee centred around the cancellation of the original Quebec contracts by the legislation passed at the 1935 session of the Ontario Legislature. From this evidence, and particularly that of Mr. Lyon, Mr. Roebuck and Premier Hepburn, it is evident that the Hydro Commission and the Government would have preferred a compromise with the Quebec power companies in order to avert serious losses. Frequent efforts, by correspondence and negotiation, were made to effect such a compromise. In these negotiations, the conditions were expressed that the compromise agreement should include all four companies, and that the consent of the bondholders was necessary to make new agreements effective. Even after the cancellation bill was passed at the 1935 session of the Legislature, efforts at compromise continued up to the month of December. These efforts proved unavailing, and the cancellation legislation was proclaimed. In proclaiming of this legislation, the Government gave effect to a resolution of the Hydro-Electric Power Commission, stating that the Commission was able to meet its demands for power, and asking that cancellation be made effective. It was not necessary to put provisions made by the Commission to meet power demands into effect, as a temporary arrangement was made with the Gatineau Power Company to continue supplying power to the Commission on the basis of its actual requirements.

### 1936 GATINEAU 25-CYCLE AGREEMENT

As the result of arrangements with the Gatineau Power Company, it was possible to meet all the demands for power without any actual shortage being experienced. Finally a new agreement was negotiated with the Gatineau Power Company, and was completed and signed on February 8th, 1936. Under the new agreement the Gatineau Power Company agreed to keep available for delivery to the Commission a maximum of 260,000 H.P., the same as the total amount under the original contract, but on very different and on much more advantageous terms. Whereas under the original contract the Commission was obligated, from October 1st, 1931, to take and pay for 260,000 H.P. at a flat price of \$15.00 per H.P., the new agreement provided for the power to be delivered as follows:—

Up to April, 1936, Contract demand, 201,000 H.P.  
After April, 1936, Contract demand, 100,000 H.P.  
at \$12.50 per H.P.

Immediate Standby, 33,000 H.P. at \$10.00 per H.P.  
General Reserve, 127,000 H.P. at \$1.75 per H.P.

It provided that all increase in the contract demand should reduce first the general reserve until zero after which it would reduce the immediate standby until the total of 260,000 H.P. was reached.

This new contract, therefore, represented a saving in its first year of \$1,775,000, and even after the whole 260,000 H.P. becomes contract demand, a saving of \$675,000 a year.

In addition, while the original contract called for payment in New York funds, the new contract provided for payment in Canadian funds, which represented another substantial saving, and removed a condition which created much uncertainty as to the actual cost of power.

The original contract also provided that the company would be indemnified against all provincial and Dominion taxes, whereas the new contract provides only for indemnification against taxes imposed by the Province of Ontario.

One of the most serious features of the original Gatineau contract, discovered only after the Hepburn Government took office in 1934, was the addition of five secret supplementary agreements, dated May 19th, 1926. These secret agreements embodied the most amazing terms making the supply and price of power from the Gatineau Power Company subject to acts of the Province of Quebec. One supplementary agreement absolved the company from liability for any failure to deliver power, when such failure was due to the act of the Province of Quebec, making this practically a purchase of "at will" power.

Another supplementary agreement provided that in event of failure to obtain the necessary rights, permits, licenses and franchises to consummate the purchase of the Pagan water power, the company would be relieved from continuing with the main agreement. This meant that the Gatineau Company secured the agreement from Hydro before they owned the power sources.

Other supplementary agreements provided that the price to be paid for power would be increased in the event of any new provincial or Dominion taxes or charges, or any increases in these taxes or charges after the date of the contract, or in any event of any increase in the rentals or royalties payable under the Pagan water leases from the Quebec government.

These secret agreements, which rendered the original contract subject to conditions beyond the control of the Province of Ontario, constituted a most glaring betrayal of the rights of the people of Ontario. They were, however, completely wiped out in the new contract made in February, 1936.

The new contract provided that Gatineau Power would have priority over all further Quebec power, and that the whole 260,000 H.P. would be taken before any other Quebec power would be taken. This provision was inserted as the Commission's contribution to the compromise which made the revised contract possible.

In every respect, the Committee finds that the new contract with the Gatineau Power Company represented a very substantial improvement over the original contract, and a saving of millions of dollars to the power-users of the Province of Ontario.

## 1936 GATINEAU 60-CYCLE CONTRACT

On February 8th, 1936, the Commission consummated a new contract with the Gatineau Power Company for a supply of 60-cycle power to replace the cancelled contract. The original contract called for a maximum of 60,000 H.P. to be delivered in cumulative annual blocks of 6,000 H.P. each, with the total deliverable on and after October 1st, 1937, at a price of \$15.00 per H.P.

Under the new agreement, the Company agreed to keep 60,000 H.P. available for delivery to the Commission, divided into three blocks, as follows:—

42,000 Contract demand, from October 1st, 1935 at  
\$12.50 per H.P.  
9,000 Immediate Standby at \$10.00 per H.P.  
9,000 General Reserve at \$1.75 per H.P.

This represented a saving to the Commission of \$2.50 per H.P. for all contract demand, and the holding of immediate standby and general reserve until actually required by the Commission.

The original contract provided that the price of power could be increased in the event of an increase of or the imposition of any additional taxes by the Dominion or Province of Quebec and a new tax authorized by the Province of Quebec but not at that time promulgated, was considered to be not then in existence. It also provided for an increase in price in the event of any increase in the rentals or royalties paid by the Company. These provisions meant that the price became an uncertain factor, subject to conditions beyond the control of the Province of Ontario. In the contract made on February 8th, 1936, these conditions were entirely removed, and the uncertainties as to the price of power were eliminated.

The new contract, however, provided that the Gatineau Company would have priority over any other 60-cycle power from any other Quebec source, this again being the Hydro Commission's contribution to the compromise agreement.

This contract was also a much better contract than the original contract of 1927, and resulted in a very substantial saving to the power-users of Ontario.

## 1936 MacLAREN CONTRACT

The first settlement made after the cancellation of the original contracts in December, 1935, was that with the MacLaren-Quebec Power Company, the new agreement being signed on February 1st, 1936. The original contract called for a total of 125,000 H.P., the last block of 25,000 H.P. to be delivered on November 1st, 1936, all at a price of \$15.00 per H.P. The new agreement of February 1st, 1936, provided for delivery of 40,000 H.P. at a price of \$12.50 per H.P. The original contract called for an annual payment of \$1,875,000 after November 1st, 1936, while the new agreement provided for an annual payment of \$500,000, an annual saving of \$1,375,000 to the power-users of Ontario, since the excess power was not required and could not be used.



Mr. Lyon and Mr. Roebuck justified this new contract by explaining that they were glad of the opportunity of compromising with the MacLaren-Quebec Power Company by taking only 40,000 H.P. in place of the original 125,000, as it had been hoped to settle with all the companies except Beauharnois. Mr. Lyon also stated that the Commission had been greatly impressed by the plea of the MacLaren Company executives for a compromise agreement to enable them to meet their bond obligations and avoid repudiation.

Like the Gatineau agreements, the original MacLaren contract provided for an increased rate should there be any increase in any Provincial or Dominion taxes paid by the Company. This provision was removed from the new contract of February 1st, 1936.

From every standpoint, this was a much better agreement than the original agreement of 1927, and saved the Commission \$1,375,000 a year.

### OTTAWA VALLEY CONTRACTS

The situation in connection with the Ottawa Valley Power Company contract differed somewhat from those with the other companies. This contract was for 96,000 H.P. to be developed at Chats Falls on the Ottawa River. The development at Chats Falls was a joint project, with the Commission and the Company owning the development rights on the Ontario and Quebec sides of the river respectively. The plant, however, was operated entirely by the Hydro Commission under a joint operating agreement, dated February 24th, 1931, the Company simply paying its share of the cost. It was, therefore, of the utmost importance to effect a compromise with the Ottawa Valley Power Company, because the Company, by removing the stop-logs from its dam on the Quebec side of the Ottawa River, could shut down the entire plant, thus depriving the Commission of the 96,000 H.P. developed on the Ontario side. After the cancellation bill was passed in 1935 but before it could be proclaimed, strong but unsuccessful efforts were made by the Commission to effect a compromise. A proposal was also formulated by the Hydro Commission that steps be taken to buy out the Ottawa Valley half of the Chats Falls development, and to negotiate with the Quebec government to trade another development site on the Ottawa River, of equal capacity, for the Chats Falls rights. Later, however, when litigation was in progress, this was opposed by the Prime Minister, Mr. Hepburn, for the reason that with litigation pending, it would be dangerous for the Hydro Commission to have such extensive physical assets in the Province of Quebec, which might be attached in the event of a judgment adverse to the Hydro. Further, an unfriendly government in Quebec might tax these assets heavily or might expropriate them. Your committee finds that this was a sound and logical position to take, and one justified by the existing conditions.

After the Cancellation Act was proclaimed in December, 1935, negotiations with the Ottawa Valley Company continued but were terminated by the Company issuing a writ on January 26th, 1936, against the Hydro-Electric Power Commission of Ontario for \$118,000, the contract price of the power deliverable under the cancelled contract up to the time of the writ. This action went to trial, and the Commission pleaded in its defence the terms of the Power Commission Act, 1935, which provided that no action could be brought against the Commission



on any of the cancelled contracts. On June 3rd, 1936, Mr. Justice Rose dismissed the action of the Ottawa Valley Power Company, holding that the action could not be brought because the Attorney-General had not given his consent, as required by Section 6 (4) of The Power Commission Act, R.S.O. 1927, Chapter 57.

The Ottawa Valley Power Company appealed this judgment to the Ontario Court of Appeal. On November 19th, 1936, the Appeal Court allowed the appeal, holding that the absence of the consent of the Attorney-General was not a bar to the action, and also that the Power Commission Act of 1935 was ultra vires of the Provincial Legislature. An appeal to the Privy Council was then taken by the Ontario Hydro-Electric Power Commission.

Attempts to resume negotiations with the Ottawa Valley Power Company proved unavailing and in January, 1937, the company issued a new writ for \$1,483,000, the amount alleged to be due for power since the previous writ. The situation, therefore, had become serious for the Commission, but difficulties arose in the way of resuming negotiations. Mutually recriminatory articles appeared in the press to the effect that the Ottawa Valley Power Company was anxious to negotiate a new contract but that the Hydro Commission was stalling, and the two parties were unable to get together.

About this time a chance meeting between the Hon. H. C. Nixon, who was Acting Premier, and Dr. Hogg at the cigar counter in the Royal York Hotel, occurred. The evidence discloses that Hon. Mr. Nixon asked Dr. Hogg to give him his frank views on the merits of the controversy then raging in the press, as to the Ottawa Valley Power Company, and also as to whether or not there was a need for more power. Dr. Hogg then gave Hon. Mr. Nixon a frank outline of his views, and Hon. Mr. Nixon asked Dr. Hogg to put these views in the form of a letter addressed to the Prime Minister, which Dr. Hogg did. This letter was discussed in Cabinet Council, and the Hon. Mr. Croll was deputized to deliver the letter to Prime Minister Hepburn in Arizona.

Mr. Croll's evidence as to what transpired in Arizona was very definite and explicit. He handed the letter to the Prime Minister, who authorized negotiations with the Ottawa Valley Power Company, but gave no instructions as to the basis of negotiations or settlement.

There was considerable criticism by Mr. Lyon of the action of Dr. Hogg in writing a letter to the Prime Minister without the knowledge of the members of the Commission, and Mr. Lyon suggested that Hon. Mr. Nixon had arranged the terms of settlement with the Ottawa Valley Power Company without consulting the Commission.

Under the circumstances then prevailing, the Committee finds that there is no justification for any criticism of Dr. Hogg's action in complying with a direct request from the Acting Prime Minister for a technical report on the matters under consideration. The evidence indicated that Hon. Mr. Nixon did not negotiate terms of settlement, but that he merely acted as an intermediary to bring the Hydro Commission and the Ottawa Valley Power Company together to negotiate.

On receiving authority from the Prime Minister to open negotiations Hon. Mr. Nixon arranged for some of the officials of the Ottawa Valley Power Company

to come to Toronto on February 1st, 1937, to negotiate with the Commission. There was some evidence regarding a request from Hon. Mr. Nixon, telephoned by his secretary, that Mr. Lyon meet these gentlemen and enter into negotiations. There was quite obviously some misunderstanding regarding this telephone message, but the details of this incident are not material, as it was followed by a letter from Hon. Mr. Nixon asking Mr. Lyon to see the Ottawa Valley Power Company representatives.

The negotiations which were then initiated resulted in the making of a new agreement with the Ottawa Valley Power Company. The discussions as to final terms continued in a subsequent conference with the Cabinet, the Hydro Chairman insisting on the inclusion in the contract of a clause giving the Hydro Commission an option to purchase the Ottawa Valley half of the Chats Falls development. The fact that, as Mr. Lyons and Mr. Roebuck, then commissioners, testified, the negotiations were difficult and lasted for some days, indicated very clearly that the terms of settlement had not been arranged in advance by Hon. Mr. Nixon or anyone else, but had been negotiated entirely by the Hydro Commissioners.

The new agreement was a very favourable compromise from the Commission's standpoint. It called for delivery of the same amount of power, 96,000 H.P. but at a price of \$12.50 per H.P. instead of \$15.00 per H.P. Against this was a provision that the power would be transformed at the expense of the Commission, instead of the Company. While this meant an addition of 70 cents per H.P. to the net cost of power, this was more than offset by the fact that the contract provided that the Commission was allowed to take all the excess power produced at the plant without any additional cost to the Commission, which at some seasons of the year ran as high as 117,000 H.P. making an excess of 21,000 H.P. for which the Commission paid nothing.

The original contract provided that the company would be indemnified against any new Dominion, Provincial or Municipal taxes, or any increase in these taxes. The new contract eliminated these provisions and allowed indemnification only for increased Ontario taxes.

In addition to the savings effected by the new agreement there was the very important provision that it put an end to the Privy Council appeal and the other litigation pending between the Ottawa Valley Power Company and the Hydro Commission, relieving the Commission from payment of the Supreme Court judgment amounting to \$118,000 and the further sum of close to \$1,500,000, all claimed by the Company as owing to it for power contracted for and not delivered. It also relieved the Commission from the possibility and uncertainty of further costly and dangerous litigation.

The Committee therefore finds that the new Ottawa Valley Settlement was in every way an excellent settlement for the Commission and the power consumers of Ontario, affecting savings on their behalf amounting to approximately \$7,000,000 over the lifetime of the contract, after deducting the 70 cents per H.P. allowed for transformation. The importance and value of this settlement is further evidenced by the fact that it was completed the very day the legal representatives of both parties were due to leave for England to appear before the Privy Council.

Considerable evidence was adduced regarding a clause in the contract providing that in the event of a higher price than \$12.50 being paid by the Commission for any other power developed from Quebec water on the Ottawa River, the Ottawa Valley Company would receive that higher price. This clause was agreed to, however, by all three Hydro Commissioners, and since it is a safeguard against the Commission ever buying power at a higher price than \$12.50 per H.P. The Committee agrees with Mr. Roebuck that this constitutes a compelling reason for future Commissions not buying any more power at a higher price, and is not, therefore, an objectionable feature of the contract. The Committee also agrees that it removed the suggestion of unfairness to the company in view of another contract then still unsettled. Taking all these circumstances into consideration, and also the fact that according to Dr. Hogg the Province was facing a possible power shortage, it was sound business and most advantageous for the Commission to make this settlement upon the terms secured, removing the Ottawa Valley Power Company from the controversy regarding the Quebec Power Contracts.

### THE BEAUHARNOIS CONTRACTS

Much of the time and attention of the Committee was directed to the new agreement made by the Hydro Commission with the Beauharnois Light, Heat and Power Company, because of the fact that this new agreement was to a large extent responsible for the circumstance which led to the appointment of the Committee. It is therefore necessary for the Committee to review in some detail the events which transpired between the time of the passage of the cancellation bill in April, 1935, and the making of the new agreement in December, 1937, as revealed by the evidence presented to the Committee.

Immediately after the passing of the Power Commission Act of 1935, the Beauharnois Light, Heat and Power Company entered into negotiations looking to a compromise with the Commission. These negotiations continued at frequent intervals up to the time the Act was proclaimed on December 5th, 1935, but without success. The Commission, quite naturally under the circumstances, was anxious to reach a compromise with all the four companies involved so that modified agreements could be effected on the basis of the power required by the Commission and a price fair to the power-users of the Province. Several plans were proposed and considered but even the best of these would have meant a loss to the Commission, in the form of cost of power that could not be used, amounting to approximately \$6,000,000. It was also found impossible to secure a compromise agreement in which all four companies would join, and a further barrier arose because of the fact that the bondholders of certain of the companies were not represented, and their consent was vital to any new agreement. The failure of these lengthy negotiations led to the proclamation of The Power Commission Act on December 5th, 1935.

Immediately after the proclamation of the Act, the representatives of the Beauharnois Corporation met the Commissioners to discuss the possibility of a new contract, but as the Commission's power needs for the immediate future were adequately safeguarded by the new agreements with the Gatineau and MacLaren Companies, the Commission informed these representatives that it did not intend to buy any power from Beauharnois.



On February 11th, 1937, the Beauharnois Company issued a writ against the Hydro Commission for \$609,000, representing the cost of power contracted for by the Commission but not taken, up to that time. This action came to trial before Chief Justice Rose on October 5th to October 9th, 1936, and judgment was reserved. On January 13th, 1937, judgment was given in favour of the Beauharnois Company, the decision following closely that given in the Ottawa Valley Company Appeal, and declaring the Power Commission Act of 1935 unconstitutional.

The Ontario Legislature was called into session on January 19th, 1937, and passed three Acts intended to deal with the situation:—

(a) The Power Commission Declaratory Act, 1937, Ch. 58, declaring that no action of any kind whatsoever could be brought against the Commission without the consent of the Attorney-General. This Act was assented to and came into force on January 29th, 1937.

(b) The Power Commission Amendment Act, 1937, Ch. 59 providing that no judgment against the Commission would constitute a debt, that all Commission property should be exempt from process, and that no process to enforce any judgment against the Commission could be issued or executed. This Act was to come into force on proclamation.

(c) The Privy Council Appeals Act, 1937, Ch. 62, providing that no security would be required on an appeal to the Privy Council by the Crown or the Hydro Commission.

The Judgment of Chief Justice Rose was appealed to the Ontario Court of Appeal and was dismissed by a unanimous decision of the whole court on June 22nd, 1937. This judgment meant that the Commission owed to the Beauharnois Company, up to that date, a total of \$5,591,250 for power contracted for and not taken. On the same day, June 22nd, 1937, but at a later hour, The Power Commission Amendment Act and the Privy Council Appeals Act were proclaimed and came into force for the purpose of defeating any judgment against the Hydro Commission.

The Hydro Commission then decided to carry an appeal to the Privy Council and obtained an order permitting the appeal. The Beauharnois Company appealed from this order, but the Ontario Appeal Court dismissed its appeal and preparations were commenced for the hearing before the Privy Council. Mr. Arthur W. Roebuck, K.C., had already been retained by the Hydro Commission, on May 19th, 1937, to represent it in the expected appeal to the Privy Council. This retainer was offered to Mr. Roebuck on account of his intimate knowledge of the matter with the full approval of Premier Hepburn, who was particularly anxious that every effort be made to secure a favourable verdict from the Privy Council. The Prime Minister stated in his evidence that he was rather amazed at the decision of the Appeal Court after receiving assurances from all his law officers that the legislation was sound and would stand any tests, so that the appeal court's decision came to him as quite a shock. He was determined, therefore, to proceed with the appeal to the Privy Council.

This was the position when the general election of October 6th, 1937, was called. The Prime Minister, on the basis of information supplied to him by the



Chairman of The Hydro-Electric Power Commission, felt satisfied that there were ample power reserves, and no need for considering any settlement with Beauharnois. He also accepted the assurances of the legal advisers of the Crown that there was every hope and expectation of a favourable decision before the Privy Council, which would clear up the situation created by the adverse Ontario Appeal Court judgment.

The evidence disclosed definitely and conclusively that during all this period there was no approach to or discussions of any possibility of a settlement with the Beauharnois Company, either directly or indirectly. This was proven by the evidence, not only of Premier Hepburn, but also that of Mr. R. A. C. Henry, Mr. G. H. A. Montgomery, Mr. Ward Wright, Dr. T. H. Hogg and Hon. H. C. Nixon. This clear-cut evidence completely exonerated Premier Hepburn of the charge that he, or others on his behalf, was negotiating a deal with the Beauharnois Company prior to the date of the election.

Premier Hepburn's attitude against any settlement with Beauharnois was further confirmed by the evidence as to events following the election. It showed definitely that some time after the election he instructed the new Attorney-General, Hon. Mr. Conant, to take charge of preparation of the appeal to the Privy Council. The Beauharnois solicitors were pressing to have the appeal heard at the earliest possible sitting of the Privy Council. One of the steps taken under the Hon. Mr. Conant's direction was a motion consolidating the appeals of the joint defendants, the Attorney-General of Ontario and the Ontario Hydro-Electric Power Commission. This motion was presented before the Hon. Mr. Justice Latchford of the Supreme Court on November 23rd, 1937, and an order consolidating the appeals was made on November 26th, 1937. It is therefore apparent that the plans of the Commission and the Government to press the appeal were proceeding actively at that date.

Meanwhile, however, the Hon. Mr. Conant had been studying the legal position very closely. As a result of this study, he informed the Prime Minister early in November, 1937, that he was very doubtful as to the appeal, and that he was, in fact, convinced that it could not succeed. Furthermore, he advised the Prime Minister that he had no confidence in the legislation of 1937 by which it was hoped to protect the Hydro Commission from the effects of an adverse court decision. Hon. Mr. Conant also pointed out to Premier Hepburn the disastrous consequences to the whole Hydro system of an adverse Privy Council decision, which would have made the Commission liable, up to the probable date of the final decision, for over \$8,000,000, for undelivered and unwanted power; that the entire original Beauharnois contract would have been made effective, calling for immediate delivery of 250,000 H.P. at \$15.00 per annum, costing \$3,750,000 per annum; and that there would also have been an immediate increase of \$2.50 per H.P. for power delivered under the Ottawa Valley Contract, meaning an additional burden of \$240,000 per year.

On October 26th, 1937, when conferring with the Cabinet, Dr. Hogg was offered the chairmanship of the Hydro Commission. He then expressed his view as to the desirability of cleaning up the power situation and requested that he be given a free hand in making provision for adequate reserves. He put forward his ideas as to how a settlement could be made, but they were not favourably received by the members of the Cabinet. Premier Hepburn, on that

occasion, expressed his very strong opposition to any further Quebec contracts. Dr. Hogg, however, was allowed to go ahead and see what could be accomplished in the way of cleaning up the situation in a manner advantageous to the power-users of Ontario. On November 1st, 1937, Dr. T. H. Hogg was appointed Chairman of the Hydro-Electric Power Commission of Ontario.

The evidence shows that the first approach of any kind to the Beauharnois Company was made by Dr. T. H. Hogg on November 4th, 1937, a few days after he became Chairman of the Hydro Commission. All of the evidence on this point supports this conclusion and reveals the falsity of the charges made against Premier Hepburn. Dr. Hogg's evidence also shows that he was concerned regarding reserves to carry over the peak periods of 1937-1938 and 1938-1939. Prior to becoming Chairman, as chief engineer of the Hydro Commission, Dr. Hogg had repeatedly presented reports revealing the situation to the then Chairman, Mr. Lyon, but the latter consistently refused to accept or read these reports. Conferences with the Attorney-General, Hon. Mr. Conant, indicated to Dr. Hogg that not only was the power situation serious, but the Hydro system was threatened with disaster because of the consequences of what would probably be an adverse decision from the Privy Council in the Beauharnois appeal.

On November 4th, 1937, Dr. Hogg had his first conference with the representatives of the Beauharnois Company and the bondholders. Other meetings followed; these negotiations being carried on by Dr. Hogg alone acting for the Commission. The possibilities of contracts were finally arrived at, and on November 19th, 1937, Dr. Hogg reported to Premier Hepburn, Hon. Mr. Nixon, Hon. Mr. Conant, Hon. Mr. Leduc and the two other Hydro Commissioners (Hon. Mr. Houck and Mr. Smith) that a new deal seemed possible, and outlined the possible terms. The Cabinet Ministers present told Dr. Hogg that if he felt the commitments were reasonable and that there would be no increase in power rates, the Cabinet would be favourable to going ahead. This was the first occasion in the whole proceedings on which Premier Hepburn acquiesced in definite negotiations and intimated that he was willing to accept a compromise.

When the negotiations with the Beauharnois Company were initiated in November, 1937, it was foreseen that there would have to be a new agreement with the Gatineau and possibly the MacLaren Power Companies. The Gatineau Company's contract gave it priority over all other sources of Quebec power, and until that situation was met there could be no agreement with Beauharnois. Dr. Hogg therefore met the Gatineau Company representatives and proposed that they give up their priority rights and accept a new longer term contract in return for their ten-year contract with preferential treatment. The company objected strenuously until informed that if they insisted on retaining priority, their contract would be ended when the ten-year period expired, and they would receive no further consideration. Dr. Hogg intimated that he was aware that the Gatineau Company had to do some refinancing in 1942 or 1943 and knew that this would be impossible, or at least very difficult if their ten-year contract with Hydro-Electric were allowed to terminate and that he, of course, pressed this aspect of the matter. Finally they agreed to negotiations, with a view to effecting a new agreement.

The MacLaren Company position was somewhat different, but Dr. Hogg felt that there was a possibility that if the other contracts were revised, they

might have the option of going to court as Ottawa Valley and Beauharnois had done, and sue on the original contract. The Commission Chairman felt it wise to avoid that possibility, and also considered it advisable, in the interests of the province and as a measure of fair play and equity, to negotiate a new long-term agreement with MacLaren, in view of the investment made by that company.

Following the consent given by the Prime Minister and other members of his cabinet on November 19th, 1937, negotiations were undertaken with the three companies simultaneously. This consent, the Prime Minister admitted, was given because of the Attorney-General's advice that the appeal to the Privy Council was unlikely to succeed, with all its disastrous consequences, and the warnings of Dr. Hogg that a serious power situation was imminent, advice diametrically opposite to that which he had received from his legal advisers and the Chairman of the Hydro Commission previous to the election of October 6th, 1937.

On December 10th, 1937, the negotiations between Dr. Hogg and representatives of the power companies were completed, and a series of draft agreements were presented to the Cabinet-in-Council. The Cabinet approved of the basis of settlement, and definite terms were arrived at on December 14th. A month later the terms were incorporated in signed agreements, and an Order-in-Council was passed on January 14th, 1938, making the agreements effective, subject to ratification by the Ontario Legislature, and except in the case of Gatineau, by the bondholders.

The main terms of the new agreements made with the three companies and their relation to the previous contracts can be summarized as follows:

#### BEAUHARNOIS

The total horsepower in each case is 250,000 H.P. but whereas in the original contract the total was deliverable on October 1st, 1936, under the new contract delivery was spread over the years up to October 1st, 1943.

The price under the new contract is to be \$12.50 per H.P., instead of \$15.00 under the original contract.

The original contract provided that the company would be indemnified against all new or increased Dominion, Provincial and Municipal taxes, whereas the new contract price is inclusive of all taxes, except new or increased Ontario taxes only.

The new contract provides for interest of 6% on arrears of payment, instead of 5% as in the original contract.

The contract ends all litigation, and relieves the Hydro Commission of all payments due for power under the original contract.

#### GATINEAU 25-CYCLE CONTRACT

The new contract ignores the contract of February, 1936, and takes the form of amending the original contract. It strikes out all the supplementary



contracts of 1926, previously referred to in this report, and also eliminates the clause in the 1936 contract giving Gatineau priority over all other Quebec power until the full 260,000 H.P. are taken.

In the original contract, the whole 260,000 H.P. of contract was all deliverable on October 31st, 1931. Under the 1936 contract, the contract demand was 100,000 H.P. with 33,000 immediate stand-by and general reserve of 127,000 to be changed to contract demand, up to the total of 260,000 H.P. as required. The new 1937 contract provides for an immediate contract of 165,000 H.P. with 33,000 H.P. immediate stand-by and 62,000 H.P. general reserve, with the total of 260,000 H.P. becoming contract demand on November 30th, 1939.

The price remains as in the 1936 contract, \$12.50 per H.P. for contract demand as compared with \$15.00 per H.P. as in the original contract.

Payment for power under the new 1937 contract to be in Canadian funds, as in the 1936 contract, whereas in the original contract payment could be required in New York funds.

Clause inserted in the original contract provides that if higher rates paid after September 30th, 1945, for power from Quebec, such higher rate will be paid under the new contract.

Indemnification is allowed for Ontario taxes only, as in the 1936 contract, while the original contract allowed indemnification against all Dominion, Provincial and Municipal taxes.

#### GATINEAU 60-CYCLE CONTRACT

The new Gatineau 60-cycle contract is also built up by amending the original 1927 contract in certain particulars. It eliminates the clause in the 1936 contract giving the Gatineau Company priority over all other Quebec 60-cycle power until the full 60,000 H.P. is taken.

The total of the new contract is 60,000 H.P., the same as in the two previous contracts, the entire amount to be deliverable November 1st, 1938, instead of November 1st, 1937, as in the original contract.

The price for delivered power to be the same as in the 1936 contract, \$12.50 per H.P., instead of \$15.00 per H.P. as in the original 1927 contract. If higher price paid for Quebec 60-cycle power after September 30th, 1945, such higher rate to be paid under the contract. Payment to be made in Canadian funds, whereas under the original contract payment could be required in New York funds. The tax provisions remained the same as in the 1936 contract.

#### MACLAREN COMPANY CONTRACT

The MacLaren contract was also set up by amending the original 1930 contract and eliminating the 1936 contract.

The new 1937 contract calls for a total of 100,000 H.P. as compared with 125,000 H.P. under the original contract and 40,000 under 1936 contract.



Whereas under the original contract the total 125,000 H.P. was deliverable on November 1st, 1936, under the new 1937 contract deliveries were extended so that the whole 100,000 H.P. will not be delivered until November 1st, 1944.

The price is to be \$12.50 per H.P. instead of \$15.00 as in original contract, with provision for higher price if higher figure than \$12.50 paid for any other Quebec power. Indemnification is allowed in new contract against new Ontario taxes only, as in the 1936 contract, while the original contract gave indemnification against Dominion, Provincial and Municipal taxes.

All of the new contracts are for a period of approximately 40 years, to correspond to the original contracts, while the Gatineau and MacLaren contracts of 1936 were for a minimum of ten years, with indefinite continuation unless two years' notice of termination were given.

In connection with the Beauharnois contract, there was some criticism of the reduction of the weekly load factor from 85% to 75%, and the view was urged that this was a vital impairment of the value of the contract. Dr. Hogg and Mr. Henry, however, dealing with the effect of this reduction, testified that the extra 10% of load factor was of little value to the Hydro Commission under the conditions on which the Commission sold its power. While the change was of some value to the Beauharnois Company, it was not a material detriment to the Hydro Commission.

The question as to the amount of the savings to Ontario power-users as a result of the settlement was a subject of inquiry. There was some criticism of an estimate of \$92,000,000 issued at the time the new contracts were made, but while this estimate was attacked, no evidence was adduced to produce any other figure. It was pointed out that the estimate of \$92,000,000 had been qualified by the possibility of Hydro, in the future, having to pay a higher price than \$12.50 for Quebec power. Dr. Hogg summed up the situation by his statement that even if the estimate should be too high, all would be agreed that the new contracts were much better than the original agreements.

As a result of the settlement made, the Committee find that extensive benefits accrue to the Hydro-Commission and the power-users of Ontario. The contracts assure ample supplies of power up to the year 1945, and allow the Hydro Commission time to develop further power resources in the Province to take care of future power needs. The settlements also remove the dangerous litigation with the Beauharnois Company, with the disastrous consequences which would have resulted from an adverse judgment. The Committee was also assured by Dr. Hogg that the new contracts could be carried without any increase in rates to the power consumers of the Province. Other advantages seen by the Committee in the new contracts were the reduction of the total horsepower provided for by 25,000; instead of the whole 766,000 H.P. being deliverable by 1937, as in the original contracts, deliveries are extended to the year 1944, allowing for taking in power as required by the increased demand and use on a conservative basis of estimate; and also the reduction of the price of power from \$15.00 per H.P. to \$12.50. An important factor, also, was the entire removal from the contracts of all provisions subjecting the price and sources of power to other jurisdictions.

The Committee therefore finds that, from every standpoint, the settlements made, and the terms provided for in the new agreements, are entirely advantageous to the Hydro Commission and are in every respect in the best interests of the power-users of the Province of Ontario. The Committee feels that Dr. T. H. Hogg, Chairman of the Hydro-Electric Power Commission, is to be highly commended for the able manner in which he conducted the negotiations and for the results achieved.

#### BACK-TO-NIAGARA POLICY

One of the chief matters coming before the committee for inquiry was what had been termed the "Back-to-Niagara" policy. The charge of carrying on negotiations with Beauharnois prior to the negotiations initiated by Dr. Hogg on November 4th, 1937, was, as has been stated, entirely disproved. The Committee feels, however, that the "back-to-Niagara" policy should also be dealt with in further detail.

The "Back-to-Niagara" policy was developed by the Hydro-Electric Power Commission (Messrs. Lyon, Roebuck and McQuesten) as the result of reports secured in August, 1934, its purpose being to meet the future requirements of the province for power by further developments at Niagara. To make this development and a greater volume of power at Niagara possible, certain proposals were put forward by the Commission. These proposals as submitted in the evidence were as follows:

- (1) Expropriation of the Canadian Niagara power plant at Niagara Falls.
- (2) Development of a 250,000 H.P. peak plant at Decew Falls by an additional diversion of water through the Welland Canal.
- (3) Diversion of water from Long Lac and the Ogoki River into Lake Superior, and withdrawal of an equivalent amount of water at Niagara for power development there.

The policy of the Hydro Commission appointed in 1934 was to provide for the future power needs of the Niagara system by these developments. Considerable evidence was placed before the Committee regarding these proposals, which were, in their inception, all accepted by the Hydro Commission as feasible but which, because of various circumstances, could not be brought to a successful conclusion up to the time of the election of October 6th, 1937.

The expropriation of the Canadian Niagara plant at Niagara Falls was thoroughly explored by the Commission which was favourably disposed towards the project. The Prime Minister, however, put forward sound reasons for refusing to sanction this proposal. Hon. Mr. Hepburn, in his evidence, stated quite frankly that he was very much opposed to the idea of expropriation because of the uncertainty of such cases in court. He felt it would be very foolish to go on with proceedings without knowing what it was going to cost. He was also very much averse to committing what would be construed as an unfriendly act against the owners of the Canadian Niagara plant, the Hudson-Niagara Power Company, because at that time the Commission was making overtures to that company, and it had agreed to supply power, if required, to meet the Commission's needs in the event of all Quebec power being shut off.

The granting to the Canadian Niagara Company of the right to build a weir was the subject of evidence, and it was established that this was of mutual benefit to the company and the Commission, giving the Commission sufficient additional water to develop 12,000 additional horsepower.

Under all the circumstances prevailing at the time, the Committee is of the opinion that the action of Premier Hepburn in refusing to sanction the expropriation of the Canadian Niagara plant was amply justified.

The proposals for further development at Decew Falls, and for the use at Niagara of the water diverted from Long Lac and the Ogoki River were found to be dependent upon a new agreement with the United States for additional water diversions. Both Mr. Roebuck and Mr. Lyon were of the opinion that there would be no difficulty in securing this new agreement. Mr. Lyon even took the view that if a new agreement could not be secured, he would advocate going ahead with the diversion without an agreement, risking the protests from United States. On these premises, Mr. Roebuck and Mr. Lyon were able to convince the Prime Minister that the Decew Falls development and the Long Lac and Ogoki River diversion were possible and logical steps towards the "Back-to-Niagara" policy:

On the basis of the advice of these two Commissioners, the Long Lac and Ogoki diversion was undertaken and considerable work done on it. Particular attention was directed towards a letter written to Premier Hepburn on May 21st, 1937, in which Mr. Lyon stated:

"Now that we have definitely set our faces toward a return to Niagara as the chief source of power for this part of Ontario, we can go ahead with confidence. It is a good rule to settle upon one's destination before taking the road, and your action yesterday settles the destination of the Niagara system."

The action of the Prime Minister referred to in this letter was the giving of consent for the Ogoki diversion. This all indicates how clearly Hon. Mr. Hepburn had in his mind the probability of being able to secure the required water diversion at Niagara, and continuing the "Back-to-Niagara" policy. It became apparent, however, in spite of the views forcibly expressed by Mr. Roebuck and Mr. Lyon that no new treaty was required, that this diversion of water at Niagara was impossible without a new international agreement. Since it was also apparent that, even if a new treaty were secured, some time would elapse before power could be produced by the new development, Premier Hepburn was assured by Mr. Lyon, on whom he relied for information regarding Hydro matters, that there was no possibility of a Hydro power shortage. Letters sent to Hon. Mr. Hepburn from Mr. Lyon showed beyond question that the requirements of the Province were amply protected. The Prime Minister justifiably accepted this information and advice as being accurate and reliable, and on it was based his "Back-to-Niagara" policy. Nothing transpired until nearly a month after the election of October 6th, 1937, to indicate to the Prime Minister that this information and advice were inaccurate and misleading.

Turning again to the question of securing a new treaty with the United States for additional Water Diversion at Niagara Falls, the evidence showed that



the Provincial Secretary, Hon. Mr. Nixon, acting in conjunction with Dr. Hogg, sent to Ottawa the necessary request that a new treaty be negotiated with the United States. Mr. Lyon made a general charge that Hon. Mr. Nixon had delayed action in this matter unduly, but this charge was disproved by the specific evidence of Dr. Hogg that the letter to Ottawa had been sent on by Hon. Mr. Nixon on the same day as he and Hon. Mr. Nixon had agreed upon the text, and only two days after a conference between Mr. Lyon, Hon. Mr. Nixon and Dr. Hogg at which it had been agreed to send this letter.

Neither Mr. Lyon nor Mr. Roebuck felt that there would be any difficulty in securing a new agreement with the United States once the formal request for it was made and they so advised the Prime Minister and Hon. Mr. Nixon. Up to the time of the election of October 6th, 1937, there had been no indication that the United States would not be willing to negotiate a new treaty, and the Prime Minister was justified in feeling on perfectly safe ground in considering that there would be no obstacles to the increased water diversion at Niagara Falls. The Committee is of the opinion that, under all the circumstances, the Premier was quite justified in taking this view, and in making the statement that he could not conceive of the government at Ottawa refusing to transmit to the government of the United States the request for a new water diversion treaty, particularly since the Ottawa government had consented to the water coming through the Welland Canal being utilized for power development at Decew Falls. The Committee is also satisfied that Premier Hepburn had not received, prior to the date of the election, any information suggesting that there had been any change in the Niagara development situation, and that he was perfectly sincere and honest in his continued advocacy of the "Back-to-Niagara" policy. There was, further, the definite statement of Mr. Lyon that he had no indication before the election that Hon. Mr. Hepburn had altered his determination to follow that policy, and there was no evidence that the Premier changed his views until he was confronted on November 19th, 1937, with a situation so serious in its implications and consequences, that it had to be settled before the Hydro Commission could go ahead with its "Back-to-Niagara" policy.

The views expressed by Dr. T. H. Hogg in his evidence have an important bearing on this matter. He stated that he was heartily in accord with the "Back-to-Niagara" policy, but it could not be gone ahead with for some time, and it was first necessary to clear up the Quebec situation. The whole future of the Niagara system was bound up in the disposition made of the Beauharnois appeal to the Privy Council, and Dr. Hogg, on becoming Chairman, saw that until that situation had been cleared up, the plans for further development at Niagara had to be held in abeyance. The importance of this, in the Committee's opinion, lies in the fact that the Quebec settlements do not indicate an abandonment of the "Back-to-Niagara" policy. On the contrary, they marked an initial and necessary step towards making it possible to proceed with that policy. With the Quebec contracts all settled, and the vexatious and dangerous litigation eliminated, it is now possible for the Hydro Commission to concentrate its energies on removing the other difficulties which stand in the way of further power development at Niagara Falls, and to continue its efforts for the development of other sources of power in the Province.



## POWER RESOURCES ON THE OTTAWA RIVER

Most important of the other power sources in the Province of Ontario are those on the Ottawa River. On this river there are various sites with potentialities for the development of over half a million horsepower, with Du Fort capable of supplying 100,000 H.P. and Des Joachims, 500,000 H.P. The Province also owns most of the Quebec part of the dam site and falls at Portage du Fort which could be connected up with and added to the development at Chats Falls. As a future source of power supplies the development of the Ottawa River was suggested as highly important. The waters of the Ottawa River, however, are inter-provincial waters, and development of these waters is dependent upon an agreement with the Province of Quebec for a joint development or for an exchange of sites. Here again, however, the question of a complete settlement of the Quebec contracts became a vital factor, as it was made clearly evident that in the eyes of the Quebec government, the lack of such a settlement was an effective barrier to the making of any agreements for Ottawa River developments. Much was said regarding the Hydro Commission acquiring the Quebec half of the Chats Falls development, but even if this were done, it would not add a single horsepower to the amount available to the Commission, as it is already taking the full output of the plant. The final settlement made with the Quebec companies, however, has cleared the way for the making of satisfactory arrangements with the Province of Quebec for further development of power on the Ottawa River to take care of the needs of the Commission after all the purchased Quebec power has been absorbed into the system—estimated about the year 1945, if such development is then considered advisable.

## MADAWASKA DEVELOPMENT

The possibilities of the Madawaska development as a source of power were explored. This property was purchased by the Hydro-Electric Power Commission in May, 1929, for a price of \$1,800,000 and is wholly within Ontario. It had been estimated by Dr. Hogg that the Madawaska system could be profitably developed to produce 120,000 H.P. in a number of units. It was further estimated that the first unit, generating 40,000 H.P. could be completed in two years' time.

Very soon after purchasing the Madawaska development in May, 1929, however, the Hydro Commission of that time entered into contracts with Beauharnois, Ottawa Valley and MacLaren Companies for a total of 471,000 H.P. which overloaded the system with power which could not be used and much of which was never used, but had to be paid for. This obviated the necessity for embarking on the development of the Madawaska properties up to the time of the cancellation of the Quebec contracts in December, 1935, as the power was not required.

After the cancellation of the Quebec contracts the Commission decided to go ahead with the development at Madawaska, developing power at 60 cycles for the Eastern Ontario system and putting any excess through a frequency changer set for use as 25-cycle power in the Niagara system. Some work was done on the Madawaska, and part of the transmission line built. Authority was given to proceed with the construction at Madawaska by day labour. These plans, however, were made without consideration of the litigation then in

progress, which would again load the Commission up with huge quantities of unwanted power in the event of an adverse decision. The Commission of that time was not seized with the absolute necessity of making a settlement with the Quebec companies, as was the Commission which succeeded it after the election of October, 1937. These are important considerations, as they resulted in a settlement being made which ensured ample power supplies up to the year 1945, and made imperative the postponement of the Madawaska development for a few years.

The evidence of Dr. Hogg placed another important aspect of the Madawaska development before the Committee. He stated emphatically that Madawaska power was not feasible for the Niagara system, as it could not be developed at a price which would make it economical for use in that system. It could compete in its own area—to supply 60-cycle power for Eastern Ontario—but could not compete with power purchased at \$12.50 per H.P. Dr. Hogg regarded it as the logical reserve for the Eastern Ontario system, to be developed when necessary. He assured the Committee that the Madawaska development had not been abandoned, but that it would be undertaken to provide power when the present supplies are absorbed. This, in the opinion of the Committee, constitutes a sound plan for utilizing the power resources available and owned by the Commission on the Madawaska River.

## DOMINION POWER AND TRANSMISSION PURCHASE

The purchase in 1930 of the Dominion Power and Transmission property for \$21,000,000 came under brief scrutiny. This property consisted largely of the Decew Falls site and power plant, and a system of electric railways and other utilities in the Niagara Peninsula and Western Ontario. The Commission of that time had planned to secure an additional diversion of water through the Welland Canal, and establish at Decew Falls a 250,000 H.P. peak power plant. As has already been pointed out, however, this development was contingent upon a new water diversion treaty, which it has not yet been possible to secure. The Commission really received for its outlay of \$21,000,000, a plant and site producing only 43,000 H.P. plus a distribution system in Hamilton, and a system of electric railways which had little or no value and have since been largely scrapped. Mr. Roebuck and Mr. Lyon stated that no tangible assets were received for \$11,000,000 of the \$21,000,000 paid for the Dominion Power and Transmission Company property. Mr. Roebuck expressed the emphatic view that this deal of the Hydro Commission of 1930 "smelt to high heaven ever since it was done" and, on the evidence placed before it, the Committee agrees with his estimate of the transaction.

## HYDRO

### SUSPICIONS AND INNUENDOES

The evidence contained a great mass of material founded only on suspicion or conjecture, and much of the evidence consisted of innuendoes or assumptions which were completely refuted by definite facts presented to the Committee.

One outstanding instance of this is found in the evidence of Mr. Roebuck that in June, 1937, he had accidentally entered a room in the Royal York Hotel,

Toronto, and had seen there Dr. T. H. Hogg, then Chief Engineer of the Hydro-Electric Power Commission and Mr. Bethune Smith, counsel for the MacLaren Power Company, with a third man, whom he believed to be Mr. R. A. C. Henry, general manager of the Beauharnois Light, Heat and Power Company. From this he drew the inference that a new contract with the Beauharnois Company was being negotiated.

The statement of Mr. Roebuck, however, was completely refuted and disproved by the definite evidence of two witnesses. Mr. Henry affirmed that he had never at any time been in a room in the Royal York Hotel with Dr. Hogg and Mr. Smith, and did not see either of them until November 1st, 1937, when negotiations were instituted. Dr. Hogg testified that the third man in the room with Mr. Smith and himself was Mr. Fred Kenny, chief engineer of the MacLaren Company. Dr. Hogg's evidence showed that he was then negotiating with MacLaren for an extension of that company's contract, and that he had not met Mr. Henry of the Beauharnois Company to discuss negotiations until early in November, 1937. This evidence proved conclusively to the Committee that Mr. Roebuck was mistaken in his identification of the third man in the Royal York Hotel room, and that his suspicions and conclusions based on that incident were absolutely without foundation.

Some evidence was presented to the Committee on the subject of fluctuation of prices of Beauharnois bonds during the summer of 1937, and attempts were made to establish the inference that they were based on the expectation of a new contract between the Hydro Commission and the Beauharnois Company. The evidence indicated that after cancellation of the Beauharnois contract, on December 5th, 1935, these bonds dropped from \$68.00 to \$33.00. In April, 1937, they had risen to \$63.00, and from then on fluctuated between \$57.25 in June to \$63.50 in November, with \$65.50 in June the high point. It was not considered by Mr. R. A. C. Henry that this was an undue fluctuation in a speculative bond like Beauharnois under all the circumstances. The evidence also showed that there were sufficient grounds for this fluctuation in the fact that the Beauharnois Company had won its lawsuit in the Supreme Court and also in the Appeal Court. Mr. Henry also stated that there were strong rumours that his company had sold anywhere between 100,000 H.P. to 200,000 H.P. to either the Aluminum Company of New York or the Niagara-Hudson Company, and that these rumours caused bond fluctuations. There were also recurring rumours that Beauharnois might sell power to the Ontario Hydro, and these might also have influenced bond prices. But, apart from newspaper rumours, which were not, on all the evidence submitted, founded on facts, no evidence was submitted to support the theory that there were on foot negotiations for a new Beauharnois contract.

Mr. Roebuck, in his evidence, asserted that his resignation as Attorney-General was demanded in April, 1937, because he would not consent to a new contract with Beauharnois. He asserted that his resignation had been sought by Mr. George McCullagh, publisher of the Globe and Mail, because of the cancellation of the Quebec contracts. Considerable evidence was presented on this point, but there was nothing to substantiate the claim of Mr. Roebuck other than his own assertion. The evidence presented in documents and by Premier Hepburn proved that the only reason for Mr. Roebuck's dismissal from the Cabinet was his attitude on the C.I.O. issue and the strike at Oshawa. Hon.



Mr. Hepburn's letter to Mr. Roebuck later asking for his resignation deals only with that issue, and makes no mention of Hydro matters, while Mr. Roebuck's letter of resignation deals only with the Government's labour policy and the Oshawa strike. It is particularly noteworthy that Mr. Roebuck did not, in that letter, refer to any suspicions he may have had regarding Hydro affairs and a deal with Beauharnois. Further, it was shown that, after his resignation as Attorney-General, Mr. Roebuck was offered the opportunity of remaining as a member of the Hydro Commission by Premier Hepburn, but had not accepted that offer, although he admitted that by so doing he could have joined with the other Commissioners in opposing any new Beauharnois deal. Evidence was also presented that, in an election speech in September, 1937, Mr. Roebuck stated that he had resigned as Hydro Commissioner and Attorney-General on account of the strike at Oshawa.

Evidence was also submitted proving that on June 9th, 1937, Mr. Roebuck accepted a retainer from the Hydro-Electric Power Commission to represent the Commission in the appeal of the Beauharnois judgment before the Privy Council, proving that two months after his resignation from the Cabinet and the Hydro Commission he was still convinced that the Government was determined to fight the Beauharnois case to the end and had no thought of making a settlement.

Further, a statement made by Mr. Roebuck in the Ontario Legislature on March 23rd, 1938, was to the effect that he had disagreed with the Government on a matter of outstanding policy, as his letter to the Prime Minister indicated. Even then, Mr. Roebuck was sticking to his statement that the C.I.O. issue was the cause of his resignation. In the same speech he said, "I had no proof of it then, and I have no proof now" in referring to the possibility of a new Beauharnois contract at the time of his resignation.

In refutation of Mr. Roebuck's claims as to his resignation, Premier Hepburn made a categorical denial that Mr. George McCullagh had at any time made any threats or demands for Mr. Roebuck's resignation. Hon. Mr. Hepburn also stated emphatically that no question other than the C.I.O. issue had entered into the request for Mr. Roebuck's resignation. He had asked Mr. Roebuck to remain with the Hydro Commission, which showed that Hydro had nothing to do with his dismissal. He had also approved of Mr. Roebuck being retained as counsel to carry the Beauharnois appeal to the Privy Council. At no time during the consideration of Mr. Roebuck's dismissal did Beauharnois or Hydro enter into the question.

All of this evidence leads the Committee to the irrefutable conclusion that Hydro matters had nothing to do with Mr. Roebuck's dismissal in April, 1937, which was due entirely to the C.I.O. issue and the Oshawa strike situation. The Beauharnois question was not discussed in any way at the time of Mr. Roebuck's dismissal, and it is quite evident that even for some months after his resignation, he still maintained that his disagreement over the C.I.O. question was the reason for it. The committee, therefore, finds no foundation for the suspicions and innuendoes of Mr. Roebuck that Beauharnois was responsible for the demand for his resignation but on the contrary the Committee finds the C.I.O. issue and the Oshawa strike were the sole reasons for Mr. Roebuck's dismissal.



The resignation of T. Stewart Lyon as Chairman of the Hydro-Electric Power Commission on November 1st, 1937, was also the subject of considerable evidence. In his evidence, Mr. Lyon stated his view that Hon. Mr. Hepburn was forced to get him out of the way before he could renew the Beauharnois contract, and that this was the reason why his resignation was demanded.

The evidence of Premier Hepburn and Dr. T. H. Hogg, however, completely disproves the contentions of Mr. Lyon. It reveals that there had been, for some time, great dissatisfaction on the part of Premier Hepburn with the handling of financial matters by Mr. Lyon as chairman of the Hydro Commission. Hon. Mr. Hepburn cited that as far back as August, 1936, he had reason to find fault with Mr. Lyon's dealings in bonds, and had remonstrated with him regarding the Hydro's refusal to co-operate with the Provincial Treasury regarding financial matters. A crisis arose in May, 1937, when the Hydro Commission under Mr. Lyon approved the sale of \$1,000,000 of Province of Ontario three-way bonds, in defiance of the request for co-operation, as the Provincial Treasury was then endeavouring to buy in these bonds. That this had a very definite bearing on Mr. Lyon's resignation is clearly shown in the evidence of Premier Hepburn and Dr. Hogg. These witnesses testified that in July, 1937, Premier Hepburn sent for Dr. Hogg, intimated to him that he was proposing a reorganization of the Hydro Commission and asked if he would consider accepting the chairmanship. Dr. Hogg had replied that if he could have a free hand he would consider it. This interview took place when the controversy regarding the bond deal was at its height. This is corroborated by the evidence of Mr. Chester S. Walters, who stated that when he informed Premier Hepburn regarding the bond deal, the Premier was indignant and said he would fire Mr. Lyon.

The Prime Minister's evidence also points out that when Mr. Lyon was appointed, he was over 70 years of age, the usual age for superannuation, and that it was clearly understood by all concerned that he would remain on the commission only a short period of time.

Also contradicting Mr. Lyon's view that the Beauharnois situation was responsible for his dismissal, was his own evidence that never at any period prior to the election of October 6th, 1937, had he any intimation that the Premier was weakening in his attitude against settling with Beauharnois, nor had there been any negotiations with Beauharnois up to the time of his resignation.

The Committee is satisfied from the evidence that the demand for the resignation of Mr. Lyon was made on account of his refusal to co-operate with the Provincial Treasury in financial matters of major importance, and that the question of a settlement with Beauharnois did not in any way enter into it. There was, also, the implied understanding, at the time of his appointment in 1934, that it would be for only a short period of time. Mr. Lyon's own evidence provides convincing proof that no settlement with Beauharnois was contemplated previous to election day (October 6th, 1937) and for some time afterwards, since he asserts that arrangements for prosecuting the Beauharnois appeal before the Privy Council were going on actively up to the time of his resignation on November 1st, 1937.

In his evidence, Mr. Lyon stated that there was no reason for the Prime Minister to be angry over the sale of three-way bonds in May, 1937, but in the

light of all the evidence regarding the matter, this statement is not well-founded. There is ample evidence that Mr. Lyon had been advised repeatedly that it was contrary to the policy of the Government to sell the three-way bonds in question, as the Government was endeavouring to buy them in. These were bonds issued by the former Conservative government, payable in Canada, London and New York, and on account of possible serious exchange losses, the Government was anxious to buy them in off the market. The action of Mr. Lyon and the Hydro officials in dealing in these bonds by selling \$1,000,000 of them, was highly detrimental to the Government's policy. The letter written by Mr. Lyon to the Prime Minister on May 18th, 1937, regarding this matter, indicates very clearly that he knew that what had been done was directly at variance with the policy of the Government. There was, under the circumstances, ample justification for the Prime Minister being incensed on learning of the deal, and threatening to dismiss Mr. Lyon from his position as chairman of the Hydro Commission.

Dealing further with the three-way bond deal, the evidence disclosed that failing to complete the deal by deregistration of the bonds, the Commission had to go into the open market to buy \$1,000,000 of the bonds, incurring a loss of \$40,000. An effort was made to blame the Government for this loss, on the ground that there had been a delay from May to August in informing the Commission that the bonds would not be deregistered. This contention is entirely disproved by definite evidence that on May 15th, 1937, two days after the deal was authorized, the Commission Secretary, Mr. McCrimmon, was informed definitely by Mr. Chester S. Walters that the bonds would not be deregistered and that the transaction would not be approved by the Government. This is further proved by the letter from Mr. McCrimmon to Mr. Walters on May 17th, 1937, and further by the letter from Mr. Lyon to the Prime Minister on May 18th, 1937, in which he acknowledges being informed that the Government would not sanction the deal, and in which he takes full responsibility for the transaction. Had Mr. Lyon taken action at once, the loss of \$40,000 could have been averted, but by delaying until three months later, it was necessary to buy bonds in the open market at a much higher price than prevailed in May, so that Mr. Lyon was responsible for the loss incurred. This flagrant defiance of the Government's wishes on a matter of financial policy directly involving the Government was undoubtedly the reason for the Prime Minister asking for the resignation of Mr. Lyon as Chairman of the Commission.

Other financial matters dealt with in the evidence included adjustment of interest rates between the Government and the Hydro Commission on moneys borrowed by the government for the Commission. The suggestion was made that the Commission had been unfairly treated by the Provincial Treasury and had been compelled to pay more than was justly due. This was carefully examined, and the facts produced disclosed that all payments made had been agreed upon between the Provincial Treasury and the auditors of the Hydro Commission. The rearrangement of Hydro refinancing was responsible for a very substantial reduction in the interest charges on Hydro borrowings, and was decidedly to the advantage of the Hydro Commission. The evidence of Mr. Walters in explanation of the adjustments was very convincing and disproved the charges that there was anything at all questionable in the payment, made by the Hydro Commission but on the contrary, that the adjustments had given to the whole matter a finality and stability that had not existed prior to that time. Charges that the Provincial Government had "made a raid" on the Hydro treasury

was completely disproved by the clearcut evidence of the Hydro's auditor, Douglas Trist, that there was nothing wrong with these transactions, and by Mr. Walters' very satisfactory and complete explanations of the financial arrangements between the Provincial Treasury and the Hydro Commission.

Another instance of unwarranted inferences and conclusions at variance with the facts was disclosed in the evidence of Alexander H. Beaton. Mr. Beaton in his evidence stated that in a conversation with the Hon. H. C. Nixon, in April, 1937, he got the impression that there was a shortage of power, and that if Beauharnois Company would meet the Gatineau Company price, it might be possible for the Hydro Commission to buy some power from Beauharnois.

Under cross-examination, however, Mr. Beaton admitted that Hon. Mr. Nixon had informed him that no power could be taken from Beauharnois because of the priority clause in the Gatineau contract. Nowhere in Mr. Beaton's evidence did he make any statement that he was told by Hon. Mr. Nixon that a deal with Beauharnois could be made. His whole evidence relative to this point consisted of impressions and inferences.

To refute this evidence of impressions and inferences, there was the definite evidence of the Hon. H. C. Nixon, R. A. C. Henry and Mr. Ward Wright as to their discussions with Mr. Beaton. Hon. Mr. Nixon stated that in a meeting in his office, Mr. Beaton had brought the conversation around to Beauharnois, but it was pointed out to Mr. Beaton that the Hydro could not buy Beauharnois' power and cited three reasons for this. These were the Gatineau priority clause, a clause in the Beauharnois lease which prevented them from selling power outside Quebec at a cheaper rate than inside the province, and the further fact that Hydro was not interested in buying more power at that time. Hon. Mr. Nixon categorically denied that he made any statement or intimated to Mr. Beaton that Hydro was in the market for power at that time. Hon. Mr. Nixon further stated that Mr. Ward Wright and Mr. R. A. C. Henry had informed him that Mr. Beaton had suggested that it might be advantageous to Beauharnois if it retained him as their solicitor, but that he (Mr. Nixon) had stated that it was of no consequence to the Government who they had as solicitor or how many solicitors they had.

The evidence of Hon. Mr. Nixon was corroborated by that of Mr. R. A. C. Henry and Mr. Ward Wright to the effect that Mr. Beaton's only approach to them had been with a view to securing a retainer to represent Beauharnois, and that he had suggested that it might be advantageous to the company to do so.

Here again, the impressions and inferences of the witness (Mr. Beaton) were definitely disproved by the definite evidence of three witnesses who refuted his statements. The committee does not find anything in the evidence of Mr. Beaton and the other witnesses to justify any suspicions of possible negotiations with Beauharnois at that time.

#### LACK OF HARMONY AND CO-OPERATION

The evidence submitted to the Committee revealed a regrettable lack of harmony in the Commission's staff. This lack of harmony was apparent in the confidential reports given by various members of the staff criticizing their fellow-



employees and in the recommendations made by Mr. McCrimmon in his report to the Chairman of the Commission in August, 1935. It was made very apparent, however, that this lack of harmony was not the fault of the Commission which took office in 1934 since it had existed long before that time, and the employees involved had been in the service for many years. This situation was undoubtedly the result of continuing the same organization year after year without change, and without sufficient overhauling. It is gratifying to note, however, that the present Commission has taken steps to remedy this situation by injecting new blood in the form of trained young men into the organization, a step which should be productive of good results and a more harmonious staff situation in the future.

The lack of harmony and co-operation between the Commission and its engineering staff was a much more serious matter. Most of the difficulties in connection with the making of contracts with the Quebec Power Companies and their subsequent cancellation have arisen from the fact that successive commissions acted too much on their initiative, and did not take the advice of their engineers. None of the commissioners involved were engineers, but they undertook to decide matters and formulate policies on engineering matters without consulting their engineers. There was evidence that, on occasions, the advice of the engineers was completely disregarded by the commissioners, with unfortunate results. It was also apparent that on one occasion, statistical information prepared by the engineers was not only rejected, but the engineers were instructed to prepare statistics in another form to suit the views of Commissioner Roebuck. Further, it was made clear that the Chairman of the Commission, in the spring and summer of 1937, refused to accept and read reports from the Commission's chief engineer, although it was evident that these reports would have had a vital bearing on the policies of the Commission. This regrettable refusal to consult the engineering staff and be guided by its expert advice was directly responsible for many of the difficulties which arose in connection with the Quebec power contracts.

The appointment of Dr. T. H. Hogg as Chairman of the Hydro-Electric Power Commission of Ontario on November 1st, 1937, however, completely removed this cause of difficulty, since the new Chairman is thoroughly familiar with all the engineering problems and difficulties, and with the needs and resources of the Hydro system, being recognized as one of the outstanding hydraulic engineers on this continent. With Dr. Hogg as Chairman of the Commission, it can be asserted with confidence that there will be no further conflict between the Commission and its engineering staff of which he was the leading member for many years, or between the Commission and the Government.

### AUDITORS' REPORTS

Much of the time of the Committee was occupied by an examination of the auditors' report of the Hydro-Electric Power Commission for the year 1936, and a special report of the auditors dated April 21st, 1937. These reports made sweeping condemnation of the Treasury Department of the Hydro Commission. On taking office as Chairman of the Commission in November, 1937, Dr. T. H. Hogg, from his intimate knowledge of the Hydro Commission organization, felt that these criticisms were unjustified and not founded on facts, and asked that they be reviewed by the auditors. A special audit and study was made by one of the senior officials of the auditing firm of Oscar Hudson & Company.



who found the criticism unjustified and asked to be allowed to withdraw the special report of April 21st, 1937, and to amend the annual report for the year 1936 by deleting the criticisms which were found to be without justification.

The Committee cannot avoid reaching the conclusion that those reports or the sections of them condemning the Treasury Department of the Hydro Commission, were the result of collusion between A. M. McCrimmon, secretary and controller of the Hydro Commission and Douglas R. Trist, auditor, who prepared the reports. In August, 1935, Mr. McCrimmon, although less than a year in the employ of the Commission, made a report to the Chairman of the Commission, strongly criticizing certain departments and recommending retirement of a large number of old and trusted employees. In the preparation of this report, Mr. McCrimmon admitted that he had been assisted to a large extent by Mr. Trist, the auditor, who prepared those portions dealing with the Treasury Department. The Commission, however, did not see fit to adopt the recommendations of Mr. McCrimmon to as great an extent as he desired, and it is apparent that, as a result of this, he asked Mr. Trist to prepare a special report embodying the same criticism as had appeared in his own report of August, 1935. The evidence also showed that there had been definite discussions as to the possibility of Mr. Trist being given the position of treasurer of the Hydro Commission in place of Mr. Pierdon, whose retirement had been recommended by Mr. McCrimmon. While Mr. Trist testified that he had refused to consider taking Mr. Pierdon's position, it is apparent that this attitude was influenced by the fact that his employer, the head of Oscar Hudson & Co. had informed him that he could not entertain such a proposal. All of these facts, coupled with the later finding that the criticisms made in the reports were unfair and unjustified, strengthen the Committee in reaching the conclusion that there had been collusion between Mr. Trist and Mr. McCrimmon in the preparation of the reports and that they were prepared to suit the wishes of Mr. McCrimmon.

Further proof of Mr. McCrimmon's attitude was found in his evidence in which he made the bold statement that the auditors had found errors totalling \$70,000,000 in the Hydro books, and that the auditors had to make adjustment entries for that amount. On detailed evidence by Mr. McCrimmon himself, and by other witnesses, it was conclusively shown that these were not errors at all, but that the adjusting entries had been made necessary by a complete change of the set-up concerning the financial relations between the Hydro and the Provincial Treasury Department. The making of the necessary entries covering this change of system was delayed to await the adjustments being made by the Hydro auditor, Mr. Trist, and the Provincial Treasury officials, so that it was definitely shown that the Hydro treasury officials were in no way responsible for the fact that adjusting entries involving some \$70,000,000 had to be made. In his evidence, Mr. Trist, the auditor responsible, admitted that the Hydro accountant could not make the adjusting entries until the auditor had completed his allocation, and stated the whole matter was one of bookkeeping, and that there was no suggestion of anything being wrong or any funds being misappropriated. This was supported by the evidence of Wyndham H. Pettit, president of Oscar Hudson & Company, who explained the adjusting entries in detail, and showed also that they were not due to errors, but because of changes made in interest charges and in the financial set-up between the Hydro Commission and the government, with the full approval of the Commission.

Of the greatest importance in connection with this matter was the evidence of T. Stewart Lyon to the effect that he had called in Mr. Thomas Bradshaw, an outstanding financial expert to study the reports referred to. Mr. Bradshaw, after his study, had stated that there was nothing wrong in the Hydro Accounting Department, but that the difficulties and differences of opinion merely represented a conflict between the old system of accounting and the new system set up by the auditors.

The Committee feels that it cannot condemn too strongly the action of Mr. McCrimmon in giving evidence that mistakes totalling \$70,000,000 had been found in the Hydro books, and that the auditors had to correct these errors, thereby casting on the Hydro auditors and accounting staff a criticism and condemnation which were proven to be wholly unwarranted and unjustified, particularly when Mr. McCrimmon was, or should have been, fully aware of the conditions which made the adjusting entries necessary. The special report of Mr. Trist also calls for condemnation, because it states these adjusting entries were due to the accumulated errors of 1935-36, a statement which was also proven untrue, unjustified and unwarranted, and which strengthens the view that this report was made to support Mr. McCrimmon's efforts to discredit the Hydro accounting staff for reasons known only to himself. From the evidence before it, the Committee is definitely of the opinion that Dr. Hogg, with his intimate knowledge of the situation, was fully justified in asking for a review of the reports referred to, and the auditors were justified in withdrawing and amending them.

### CONCLUSIONS

As a result of the mass of evidence reviewed by the Committee certain irrefutable facts stand out clearly with regard to the matters referred to the Committee for investigation. These can be stated in the following conclusions based on the evidence:

- (1) The original contracts made with the Gatineau, Beauharnois, Ottawa Valley and MacLaren Companies were unwise, unsound, unnecessary and if allowed to stand, would have had disastrous effects upon the Hydro system.
- (2) Under the circumstances, with the Hydro system facing ruinous commitments for a period of years, and with the power companies refusing to join in a reasonable compromise, the cancellation legislation of 1935 was fully justified.
- (3) The new contracts made by the Hydro Commission with Gatineau and MacLaren in 1936, and with the Ottawa Valley in 1937, were much more favourable to the Commission than were the original contracts, and represented a sound and reasonable compromise.
- (4) On the basis of the information and advice supplied to him by the Hydro Commission through its chairman, Mr. Lyon, Premier Hepburn was fully justified in advocating the "Back-to-Niagara" policy during the election campaign of 1937. Hon. Mr. Hepburn cannot be held responsible for the fact that the Chairman of the Commission refused

to accept or read the reports of its chief engineer, and thus supplied the Prime Minister with information not in keeping with the actual situation.

- (5) The Prime Minister, Hon. Mr. Hepburn, is completely exonerated of the charge that he had, directly or indirectly, been negotiating with the Beauharnois Company prior to the election of October 6th, 1937. The first steps towards negotiations were undertaken by Dr. T. H. Hogg a few days after his appointment as Chairman of the Hydro Commission on November 1st, 1937, and no negotiations of any kind were instituted by anyone prior to that date.
- (6) The Prime Minister was justified in authorizing negotiation of a settlement with Beauharnois on November 19th, 1937, in view of the definite advice of the Attorney-General, Honourable Mr. Conant, that success in the Beauharnois appeal to the Privy Council was very doubtful and also the advice of Dr. Hogg that the power would be required.
- (7) The consequences of an adverse decision in the appeal to the Privy Council would have been so disastrous to the Hydro system and the power users of Ontario that the Hydro Commission and the Prime Minister were fully justified in accepting the advice of Dr. Hogg and the Attorney-General, in November, 1937, and in making a settlement with the Beauharnois, Gatineau and MacLaren companies.
- (8) The power situation, revealed to Honourable Mr. Hepburn for the first time after Dr. Hogg became chairman of the Hydro Commission on November 1st, 1937, was of so serious a nature that it fully justified the making of a settlement which secured for the Province an ample supply and reserve of power on equitable and advantageous terms.
- (9) The terms of the new contracts negotiated by Dr. Hogg are eminently fair and satisfactory from the standpoint of the power-users of the Province, and represent a tremendous saving in power costs spread over a long period of years, as compared with the original contracts.
- (10) The forecasts of future power requirements made by Dr. T. H. Hogg and his provisions for reserves, do not seem unreasonable or excessive in view of the power resources now developed or possible of early development and the commitments made for purchased power.
- (11) It is apparent that the whole cause of the difficulties from which the Hydro Commission has, by reason of the settlements of December, 1937, extricated itself, was the unwise and unwarranted action of the Commissions from 1926 to 1930 in making the original agreements with the Quebec power companies.
- (12) The Committee feels that, with the difficulties arising out of the Quebec contracts completely out of the way, the Hydro Commission should now concentrate its efforts to provide future power supplies by the development of the power resources of the Province, by securing further diversion rights at Niagara and by securing agreements with the Province of Quebec for development on the Ottawa River.



- (13) The internal organization of the Hydro Commission should be made the subject of careful study by the members of the Commission, so as to provide for such rearrangement and reorganization as will promote greater harmony and efficiency, consistent always with economy in administration.
- (14) No justification was found for charges that the Province had made raids on the Hydro treasury, but on the contrary, the readjustment of financial relations between the Province and the Hydro have been to the material advantage of the Hydro system by making possible substantial saving in interest charges.
- (15) The Committee finds that the burdens imposed on the Hydro Commission by the new revised contracts are justifiable and can be carried without increasing Hydro rates or impairing in any way the financial stability and security of the Hydro-Electric Power System.

The Committee wishes to express its thanks to the staff of the Hydro-Electric Power Commission for its indefatigable efforts in providing the large amount of documentary evidence required, and for its co-operation in a difficult task, and also to the witnesses who, by their very comprehensive and painstaking evidence, made possible an exhaustive inquiry into the matters referred to it for consideration. It wishes, especially, to thank Dr. T. H. Hogg for attending to give evidence although only recovering from a serious illness. The complete character of his evidence, the thorough grasp he showed of every detail of Hydro affairs, and his demonstration of a keen knowledge of all technical details and of the requirements of the Hydro system, lead the Committee to express its unqualified opinion that the Prime Minister is to be highly commended for having selected him to be the Chairman of Ontario's great public power utility. Under his guidance, with the difficulties of the Quebec contracts removed, and all causes for involving the Hydro system in any political controversy finally eliminated, the people of Ontario can look forward to an efficient and wise administration which will enable Hydro to grow and prosper and extend the benefits of cheap and plentiful power to an ever widening body of citizens of this province.

All of which is respectfully submitted.

G. D. CONANT, Chairman  
H. C. NIXON  
JAMES H. CLARK  
IAN T. STRACHAN  
JAMES M. COOPER  
ARCHIBALD J. HAINES  
JOHN NEWLANDS

March 16th, 1939.



## Report of Minority Group, Select Committee to Enquire into Hydro Contracts

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The Select Committee, appointed to enquire into certain events connected with the affairs of the Hydro-Electric Power Commission, was given wide powers. It directed its attention to the contracts of December 14th, 1937, and all circumstances connected therewith, particularly having regard to the statements made by Mr. Hepburn prior to the election on October 6th. The Committee sat for eleven days and heard many witnesses. The evidence covered a wide field and many aspects of the administration of the Hydro-Electric Power Commission. Upon this evidence the undersigned have reached the following conclusions:

1. There can be no doubt that Mr. Hepburn knew, or should have known prior to the Provincial Election, of the critical power shortage and that it would be necessary, immediately after the Provincial Election of 1937, to sign new contracts with the Quebec companies in the place of those which had been cancelled. There is conclusive evidence that Mr. Hepburn deceived the public with his assurance of a "Back to Niagara" policy.
2. The staff of the Hydro-Electric Power Commission and at least two members of Mr. Hepburn's Cabinet knew in June, 1937, that demands for power reserves made a new contract with the Beauharnois or MacLaren Quebec Power Companies, or both of them, inevitable.
3. The conduct of Oscar Hudson & Company is open to the most serious criticism. They deleted sections of the Report, which they had filed as auditors of the Hydro-Electric Power Commission and withdrew another Report, which they had prepared, from the records of the Commission, for the obvious purpose of taking off the permanent record their own criticism of the conduct of the Commission.
4. The evidence shows clearly that there was political interference with the management of the Hydro-Electric Power Commission periodically during the last four years.
5. The estimate adopted by the Commission's engineers in the computation of yearly load growth requirements upon which the Quebec contracts of 1926 to 1930 were based were justified: and further the same estimate was adopted by the Commission's engineers in computation of yearly load growth requirements as a basis for the new contracts of December 14th, 1937.
6. There is no foundation for the statement that a saving of \$92,000,000 is assured under the new contracts. On the contrary it is possible, under certain circumstances, that the new contracts may be less favourable to the Province than those which were cancelled.
7. There was no foundation whatever for the contention that the Hydro-Electric Power Commission faced bankruptcy unless the earlier contracts were

cancelled. On the contrary the Commission had reserves which fully protected its financial standing.

The evidence supporting the above findings will be reviewed but it should be borne in mind that, while many aspects of the administration of the Hydro-Electric Power Commission necessarily came under review, the Enquiry was the result of a charge in the House that Mr. Hepburn had deliberately deceived the electors of this Province, during the election campaign of 1937, when he assured them that if he was returned to power he would not sign new contracts with the companies whose contracts had been cancelled, but would meet any new requirements through the development of resources within the Province of Ontario.

The wisdom of the course followed in signing new contracts is not so much in issue as the unequivocal pledge of Mr. Hepburn that he would not sign new contracts if returned to power. In spite of the unconvincing nature of some of the evidence, the only reasonable conclusion from the facts disclosed is that Mr. Hepburn deliberately misled the public and sought re-election upon an undertaking which he was well aware could not be fulfilled.

In reaching a conclusion on this aspect of the Enquiry, it is first necessary to compare Mr. Hepburn's own statements, during the two months prior to the election on October 6th, with what took place shortly after the Election. It is only necessary to quote a few of Mr. Hepburn's statements which show clearly the argument Mr. Hepburn employed in scores of public speeches during the period he was seeking re-election. The following are typical:

AT ST. THOMAS, AUGUST 12TH, 1937 (*Toronto Telegram*), Mr. Hepburn stated:

"Never again if you will say 'No' shall we come under the domination of the power barons of Montreal."

He also said:

"There was no shortage of power in Ontario."

AT RONDEAU PARK, AUGUST 13TH, 1937 (*Globe and Mail*):

"It is a good thing we took off that forty-year yoke and we will keep it off."

AT BRAMPTON, AUGUST 21ST, 1937 (*Toronto Telegram*):

"I could have held off for another two years but I was worried about my stand on Hydro."

AT RENFREW, SEPTEMBER 26TH, 1937:

With reference to the possibility of the prevention of the export of power from Quebec:

"It all serves as a reminder of what an unfriendly province might attempt if it felt so disposed so I think it is a good thing if we become more and more dependent upon our own resources."

AT THOROLD, SEPTEMBER 28TH, 1937 (*Globe & Mail*):

"Our policy is 'Back to Niagara' and to make our Province more and more dependent upon our own resources."

THE HONOURABLE W. L. HOUCK AT NIAGARA FALLS ON SEPTEMBER 23RD, 1937, said:

"Mr. Rowe says there is a power shortage. I say there is no power shortage but if there is a new Hydro development we should follow the 'Back to Niagara' policy of the Hepburn Government."

An examination of all Mr. Hepburn's speeches on the subject showed a clear undertaking that, if returned to power, he would rely upon the development of "our own resources" and that there was at the time no power shortage which would necessitate any other course.

What followed immediately after the election can lead to no other reasonable conclusion than that Mr. Hepburn was fully aware that his public statements were grossly misleading as to the real situation. Any other conclusion could only be based on the assumption that, during all the months that his Hydro-Electric policy was under attack, he consulted none of the Commissioners or senior officials of the Hydro-Electric Power Commission. The intimacy he displayed with various phases of the Commission's activities precludes this explanation.

The following dates are important in contrasting Mr. Hepburn's pre-election statements with what occurred afterwards:

- (a) October 6th, 1937—Provincial Election.
- (b) October 21st, 1937—T. Stewart Lyon received a demand for his resignation as Chairman of the Hydro-Electric Power Commission.
- (c) November 1st, 1937—Mr. Lyon resigned as Chairman and was replaced by Dr. T. H. Hogg.
- (d) December 3rd, 1937—Mr. Hepburn was asked about new power contracts during a special session of the Legislature and refused to make any statement.
- (e) December 14th, 1937—New contracts for substantially the same amount of power involved in the old contracts, were executed with Beauharnois; McLaren Quebec; and the Gatineau Power Company, for periods exceeding the life of the cancelled contracts.

On February 8th, 1938, Dr. Hogg defended the course followed by the Commission, in a speech which he had prepared for the Annual Meeting of the Ontario Municipal Electric Association on February 8th, 1938, and which was read in his absence by Mr. J. A. Smith, M.P.P. In his explanation of what had occurred we find this significant statement:..

"While I have attempted to explain to you the circumstances which induced me to recommend to my fellow Commissioners the settlement recently effected with the Quebec power companies, *I naturally am aware*



*that there has been a very abrupt change in Commission policy. I feel also that there may be some who are concerned about the settlement, partly because it DOES represent a direct reversal of policy and partly because of the severe public pronouncements relative to the settlement, made by members of the former Commission. To those who may feel concern on this account, may I say that the basic facts regarding power supply and demand, and the conclusions relating thereto, which I have presented to you to-night, are strictly in harmony with the views and opinions that I have consistently held and expressed to the Commission which held office prior to my appointment. So far as I am aware, these same views have been universally held by the Commission's staff. The fact that the former Commission held entirely different opinions and reached totally different conclusions is something for which its members alone must accept full responsibility. It is my opinion that the Commission's future power needs alone justify this settlement.*

It will be seen that Dr. Hogg was very emphatic that the future power needs of the Hydro-Electric Power Commission justified the signing of contracts to replace the contracts which had been cancelled, and that this urgent need for power had been well known. He said: "As far as I am aware, these same views have been universally held by the Commission's staff." In spite of the absence of any direct evidence that this information was conveyed to the Premier, it is hardly possible that the opinion "universally held by the Commission's staff," was not communicated to Mr. Hepburn in any way during the months that it was constantly being charged that there was a power shortage and that he must buy from the same companies whose contracts he had cancelled or seek new sources of power.

On January 17th, 1937, Mr. Hepburn made the following statement in an interview with the *Globe & Mail*, just before leaving for Arizona:

"Rightly or wrongly there is an attempt being made to create the impression that we are faced with a power shortage.

"I'm fully confident that the power needs of the Province are looked after for many years to come.

"I shall undertake to speak to the Commission, with the engineers present, and if I'm not satisfied with their appraisal of the power needs, I shall gladly institute an outside appraisal to be made by an independent electrical engineer of high standing."

In that statement, many months before he appealed to the electors with the unqualified assurance that there was no power shortage, he had indicated that in reaching any decision he would consult his engineers. When he subsequently made the statement on many occasions that there was no power shortage, the public had the right to assume that he had done so. The only possible alternative to the conclusion that he deliberately deceived the public in all his speeches is that he was utterly reckless and wholly unconcerned with the accuracy of the statements he was making to the public. In any event the public was deceived.

One very important fact which should be borne in mind is that, quite apart from the Premier's knowledge that it would be necessary for him to obtain power



reserves immediately, was the fact that his "Back to Niagara" policy was made impractical by the international situation which existed in regard to the diversion of further waters at or near Niagara. Correspondence introduced in evidence showed that for a great many years it had been clearly understood that without an international agreement no further diversion was possible. This was fully set out in a letter from Mr. King to Mr. Nixon, in February, 1937, and also in a later letter of September 7th, 1937. This disclosed that the Government of the United States was not prepared at that time to enter into the necessary international agreements to permit further diversion. For the same reason it was impossible to use waters diverted from the Ogoki and Long Lac. Even if Mr. Hepburn had not been aware that a "Back to Niagara" policy was impossible because of the necessity of obtaining power from other sources immediately, it is perfectly clear that with his knowledge of the international situation, he knew that there was very little likelihood under any circumstances of being able to carry out the assurances he was giving the public. On this ground, at any rate, there can be no doubt that he wilfully deceived the public.

It is clear from Dr. Hogg's evidence that, if it was necessary to obtain power immediately, the only place from which that power could be obtained was the Quebec companies. His evidence was quite clear that the development of the St. Lawrence and the Ottawa Rivers could only be considered as possible sources of power in the *distant* future. These are his own words in regard to the possibility of obtaining any early power requirements from the St. Lawrence:

"You will readily appreciate that no reasonable business man charged with the responsibilities of administering the Hydro-Electric Power Commission of Ontario would be justified at the present time in placing any reliance upon obtaining power from the international section of the St. Lawrence River for use during the period for which the Quebec power was purchased."

Dealing with the Ottawa River as a source of supply he was equally emphatic. He said:

"Therefore power from Ontario's undeveloped resources on the Ottawa River could not be an immediate alternative to additional power provided by the Quebec contracts settlement."

Dr. Hogg explained in evidence that he was convinced, as early as January, 1937, that there was a shortage of power reserves. According to the evidence, it had been necessary to pull the switches on about 125,000 H.P., involving the interruptible contracts of several important customers. On this point Dr. Hogg's words are:

"The alarming thing was the lack of provision for the far future, or the near future, I should say. 120,000 was ample for that Fall (1937), but beyond that there was no provision."

On January 21st, 1937, at the request of Mr. Nixon, the acting Prime Minister, Dr. Hogg wrote to Mr. Hepburn on power requirements on the basis of which an agreement was negotiated with the Ottawa Valley Company. Even after the negotiation of this new contract in January, 1937, Dr. Hogg continued

to be alarmed about the power situation and, according to his evidence, from January, 1937, kept a report on power needs on the Hydro Commission files which report he kept revising from time to time.

Dr. Hogg's evidence on this report is illuminating:

HON. MR. MACAULAY: Q. In the summer of 1937, you could not look to Niagara to provide those power needs that you had estimated were coming?

A. Surely. The Government could have had my views on the subject at any time if they had asked them, but they did not ask them.

Q. Did Mr. Hepburn never ask for your views?

A. He never asked me about the power situation at Niagara at all.

Q. He said one time in the House that he was going to. This controversy had been going on. I may be wrong. It may have been an interview in his office. We can find out where it was.

A. I can remember it very distinctly. As a matter of fact, I prepared a report. A report had been prepared along in January, revised in February. It was kept up in shape in the *expectation that I might discuss the matter with him. I did not discuss the matter with him, and the report was never handed to him.*

Q. Did you ever have any engagement to discuss it with him?

A. No, sir.

In its final form this memorandum, dated June 14th, 1937, was produced before this Committee. It is entitled:

**"A DISCUSSION OF THE FUTURE POSSIBILITY REGARDING  
POWER APPLIED TO THE NIAGARA SYSTEM."**

This report concludes with the significant statement:

*"Thus the inevitable conclusion is reached that we must look either to steam developments or to the purchase of additional power from either or both the Beauharnois or McLaren Quebec Power Companies for the next substantial blocks of power for the Niagara System primary supply."*

Thus we find that almost at the same time Mr. Hepburn proposed to Dr. Hogg that he accept the Chairmanship of the Hydro-Electric Power Commission, Dr. Hogg had completed a report which stated that it was inevitable that the Commission must look either to steam development or to the purchase of additional power from the Quebec companies.

It is significant that during the Spring and Summer of 1937 there were frequent reports in the press forecasting a new contract with the Beauharnois Company. In the light of subsequent events, it is apparent that these reports reflected a very general knowledge at that time of the actual conditions. It

would indeed be remarkable, if the only man who was unaware of the actual condition, was the Premier of the Province to whom all these sources of information were immediately available.

Dr. Hogg says that he did not give this Memorandum of June 14th, 1937, to Mr. Hepburn. The Honourable T. B. McQuesten was a representative of the Cabinet at that time on the Commission and, according to the evidence, had this information. Mr. Lyon's evidence on this point leaves little doubt that Mr. McQuesten was aware that negotiations were already under way for new contracts as early as June:

HON. MR. MACAULAY: Q. In any event, Mr. Lyon, it is quite at variance with any information in this morning papers' reports that your opinion was the Government were not making any change of front on Hydro?

A. My opinion, sir, remained until after the Election. I had no knowledge from Mr. Hepburn or any member of his Government, or my colleague, Mr. McQuesten, that any change was being made, *except the statement one day by Mr. McQuesten, an offhand statement, that he believed they were going to come to terms on Beauharnois. That was before the Election.*

Q. Where was that statement made to you by Mr. McQuesten?

A. In my own office.

Q. How long before the Election would that be?

A. I cannot carry these things in my mind. It would not be more than two or three weeks I think. *I have reason to believe that negotiations were really begun the end of June.*

Mr. McQuesten did not give evidence to contradict this very definite statement of Mr. Lyon's and it must be remembered that Mr. McQuesten was a member of the Cabinet and of the Hydro-Electric Power Commission for the purpose of co-ordinating their activities. Is it reasonable to assume that Mr. McQuesten did not discuss the same subject with Mr. Hepburn in view of Mr. Hepburn's frequently repeated statements to the public that there was no power shortage? We believe that this is beyond any reasonable possibility and that, in view of the fact that this subject was so much before the public, Mr. McQuesten must at some time have communicated the information in his possession to the head of the Government. Even if we did not have Mr. Lyon's evidence, we are of the opinion that it is beyond the realm of possibility that Mr. McQuesten never at any time, between January and October, 1937, learned in his capacity as a Commissioner of the Hydro-Electric Power Commission that Dr. Hogg was alarmed about the shortage of power reserves. If he did not know the opinion of the engineers regarding a subject which was being discussed so much publicly, he was not performing his duty as a Commissioner, and if he had this information as a Commissioner, he was grossly negligent in the performance of his duty if he did not communicate his knowledge to the Premier, having regard to the constant reference to this subject in the press. With no evidence to the contrary, we submit that it must be assumed that Mr. McQuesten did convey to the Premier the extremely important information which was in his possession.



If it were possible to believe that no information came to the Premier on this subject through any of the channels available to him, there was, nevertheless, a very clear misrepresentation of the situation.

With all the sources of information available to him, the public had a right to believe that when the Premier made the statement that there was no power shortage and that no new contracts would be signed, after having publicly assured them that he would obtain the facts from his expert advisers, he was making those statements with full knowledge of the facts. In a matter involving major questions of policy, the public is surely entitled to believe that the statements of the Premier are based upon the true facts and the best information available concerning the matter in question. If such is not the case, and if government policy is to be a mere matter of "Ballyhoo" employing catch phrases such as "Back to Niagara" with no foundation whatever in fact and subject to reversal a few weeks after an election, then there is indeed good reason to despair of the future of democratic government.

### THE BEAUHARNOIS CONTRACT

As the Beauharnois contract was the most important of the contracts under consideration, some of the evidence particularly referring to this contract is of special importance. Mr. Lyon, Mr. Roebuck, Mr. Ward Wright, K.C., Solicitor for the Company, Mr. R. A. C. Henry, General Manager, Mr. George H. Montgomery, K.C., General Counsel and Vice President of the Company, Mr. Hepburn, Mr. Nixon, and Mr. A. H. Beaton, K.C., were all examined in regard to this contract. Mr. Roebuck stated emphatically that his dismissal from office was because of his unalterable opposition to signing a new contract with the Beauharnois Company. Mr. Lyon was equally emphatic that the reason for his dismissal was to clear the way for a new Beauharnois contract.

Mr. Beaton told of an interview with Mr. Nixon in April, 1937, when he was told that the Hydro-Electric Power Commission would purchase a "jag" or "drag" of power from Beauharnois. These are Mr. Beaton's own words:

"Then the action was entered by the Power Company and that was dragging along. I remember Mr. Nixon and I discussed that at the time we were talking matters over, that there were great difficulties in the way of meeting the requirements in regard to the price of the Beauharnois people. Mr. Nixon intimated that if they could meet the Gatineau price there would not be any trouble in taking a good 'drag' of power from them."

While Mr. Nixon denied the exact words used by Mr. Beaton, he did not deny that such an interview took place and that the subject matter under discussion was the possibility of a Beauharnois contract.

It must be remembered that on account of Mr. Hepburn's absence from Toronto, Mr. Nixon had taken a very active part in connection with these power contracts. In January, 1937, the new contract with the Ottawa Valley Company was under consideration. The officials of that Company called on Mr. Lyon, who refused to discuss the terms of a new contract with them and explained to them that he had made no arrangement for them to come to Toronto. Mr. Lyon's evidence is that within ten minutes of the time he refused to deal with them,



he received a call from Mr. Nixon's Secretary telling him the Government insisted upon the commencement of negotiations. The fact that the Government took such an active part in initiating the steps which led up to the execution of the contract with the Ottawa Valley Company must be taken into consideration when one is asked to accept the statement of Mr. Hepburn and Mr. Nixon that it was unthinkable that any member of the Government would have had anything to do with the commencement of negotiations in the case of the Beauharnois contract.

### DELETIONS FROM OSCAR HUDSON & COMPANY REPORTS DATED APRIL 21ST, 1937, AND JUNE 24TH, 1937

We were amazed to find that Messrs. Oscar Hudson & Company, Hydro Auditors, had withdrawn from circulation a report on the Hydro Accounting System dated April 21st, 1937, and had also deleted certain parts of their annual report of June 24th, 1937, after the same had been delivered to his Honour the Lieutenant-Governor. Mr. Pettit, head of this firm, explained that this was done because there was unjustifiable criticism directed against some of the Commission's Staff. We condemn unreservedly the "deletion" method of Oscar Hudson & Company. Many of the deleted sections had nothing to do with the Commission's Staff and many contained good recommendations. We do not think any record should be altered or destroyed. The whole affair savours too much of auditor's being used as rubber stamps rather than as independent and constructive critics of the Commission's methods. The auditor's duty was to the public and not merely to make palatable or complimentary references to the Commission.

The following recommendation of the Auditors, which was withdrawn after it was filed, was a commonsense recommendation calculated to increase Hydro efficiency:

"We need only point out that after the end of the Commission's fiscal year at the 31st October, there is always a delay of five or more months before the Annual Accounts are completed. It is obvious that such a condition would not be tolerated in commercial concerns."

Everyone recognizes that no commercial concern would brook the delay which there is in the preparation of the Commission's Annual Statement.

The special report of April 21st, 1937 (also withdrawn by the Auditors), page 6, says:

"From a report dated December 23rd, 1936, by the Stone & Webster Engineering Corporation we are noting the following comments regarding the presently used methods of costing:

'We believe that sooner or later you should abandon this method (that is the present costing method) and substitute for it a standard form of power rate which would remain effective for a few years at a time and which would be revised as required by the magnitude of the accumulated reserves. The basis of the revision probably would be a study made at convenient times along the lines of present methods of

cost allocations. Under such a plan the books of account of the Commission could be closed promptly at the end of the year and annual reports issued without delay. We believe that there would be material advantage in having promptly such reports in the administration of the affairs of the Commission. The cost of record keeping would be greatly reduced ""

Thus the recommendation of Oscar Hudson & Company only confirmed the recommendation of Stone & Webster. Mr. Pettit himself said, page 784:

"I had the idea myself in 1935 and 1936 that there should be a cut-off but the Commission thought the old method should continue."

When Mr. Pettit suffered his change of mind we cannot say, but we point out that the special report prepared by his firm was dated April 21st, 1937, and his annual general report was dated June 24th, 1937, and these reports remained on file with the Commission and His Honour the Lieutenant-Governor until Mr. Pettit asked their withdrawal in letters dated May 3rd, 1938, and May 9th, 1938, which was after the select committee investigating Hydro affairs commenced sittings on May 2nd, 1938. The letter of May 3rd, 1938, reads:

"May it please your Honour:

#### HYDRO-ELECTRIC POWER COMMISSION

We were requested by the Chairman of the present Commission to review our report of June 24th, 1937, in respect of the personnel of the accounting staff of the Commission, its efficiency and co-operation.

Having looked into the matter carefully, we wish to withdraw the criticisms therein and are pleased to report that we have received the full co-operation of the staff since the matter was presented to us in December last, and are confident that it will continue.

Respectfully submitted,

(Signed) Oscar Hudson & Company,

Chartered Accountants."

We strongly disapprove the method followed. It destroys confidence in the protection afforded to the people by an accounting firm free to criticize constructively old methods and suggest new ones for the betterment of the system.

#### POLITICAL INTERFERENCE WITH HYDRO MANAGEMENT

We find glaring instances of political interference with Hydro management and we draw attention to the following incidents disclosed by the evidence:

(a) REDUCTION IN HYDRO RATES PRIOR TO THE 1937 ELECTION.

Dr. Hogg stated that he was not consulted concerning the pre-election cut of \$2.00 per H.P. August 1st, 1937, and that he was against it. His evidence is as follows:

Dr. Hogg—Page 1438:

Q. Did the Commission consult you about that pre-election cut of \$2.00 per H.P.?

A. Not me—my advice was against it.

This pre-election reduction in rates, we believe, will result in a reduction in the annual appropriation for Hydro reserves in the future. In fact, since this Enquiry closed the Hydro report for 1938 discloses a reduction in such annual appropriation.

(b) RAIDING HYDRO TO BOLSTER PROVINCIAL FINANCES.

We find that Hydro has been compelled from time to time to make payments of amounts to the Provincial Treasurer which the Commission has submitted are not due. The following is an example:

T. S. Lyon—Page 220:

A. I want to tell you this about Mr. Walters because *I think it ought to be known* to the public,—when Mr. Walters became the supreme financier of the Province he *caused the auditors of the Government and the Hydro to make a search* to determine whether the Hydro has paid sufficient to cover the discount on bond issues—the *practical result of that enquiry* was that in the year 1937 the Hydro was called upon by Mr. Walters to pay over \$400,000.00 more interest than it had ever paid before on the same amount of capital.

Q. Did you pay that \$400,000.00?

A. *Yes, it was paid under protest—they needed the money.*

(c) THE UNDERTAKING OF PUBLIC WORKS WHICH DID NOT FURTHER THE INTERESTS OF THE POWER USERS.

In order to assist the Minister of Lands and Forests in his pulpwood undertakings the Government originated a scheme of diverting the waters from the Long Lac area into Lake Superior to facilitate the floating of logs. The Government on its part was to secure international sanction for the diversion of this water, and for its use by the Commission by adding the same to the Commission's allotment at Niagara. Of the total expenditure of \$1,400,000.00, \$900,000.00 has been paid by Hydro and charged to power users. In the meantime, no sanction has been obtained for the use of the water at Niagara with the result the Hydro-Electric Power Commission received nothing for its money. The evidence on the point is as follows:



T. S. Lyon—Page 130:

Q. You know the Government were committed themselves to a "Back to Niagara" policy. You read the papers?

A. No, the reason was much more serious. We had committed the Hydro Commission to pay the major part of the Long Lac development afterwards finding that we were not going to get any use of the water. . . .

*The Long Lac Development* did not originate with the Hydro Commission at all—it originated with the Government. . . .

Q. . . . Why did you get tied up to paying part of the cost?

A. *Because the Government* asked us to go in on the scheme with them . . . they to get the increased revenue from *the logs* put out through the Long Lac Diversion, *we to get the benefit of the water* for use on the Niagara system. If there was any question as to whether we would have the legal power to use the water after it was produced that feature surely should have been considered by the Government—not by us.

(d) THE LOSS OF \$40,000.00 TO HYDRO IN CERTAIN BOND TRANSACTIONS.

The evidence disclosed a divergence of views of Mr. Lyon and Mr. MacCrimmon representing the Hydro on one hand, and Mr. Walters and Mr. Hepburn representing the Provincial Treasury on the other. The Commission had the right to sell certain bonds forming part of the reserves of the Commission. It is plain that the Treasury at no time definitely and in writing forbade the Commission to engage in deals involving three-way bonds. If as a matter of considered policy, the Government decided against such deals, it was then the Government's duty to notify the Commission in writing. There is no such notification, and in its place a conflict of verbal testimony, which is to say the least, most unsatisfactory. The net result is that the Commission lost \$40,000.00 and both sides blamed the other. It is astounding that a public business such as Hydro involving hundreds of millions of dollars of assets and reserves should be subject to administration by two bodies. Thus uncertainty is created, and in this case the loss of a large sum of money to Hydro. In our opinion, sound business dictates that there should be full control by Hydro of its assets including its reserves.

(e) POLITICAL PATRONAGE—HYDRO.

Evidence of this was given by Mr. A. Murray McCrimmon, Secretary and Comptroller of the Commission, when he related how he was called on the carpet by the Prime Minister and charged with not finding enough jobs to suit Members of the Government. Evidence page 903 is as follows:

Q. What was the occasion—what were you there for?

A. Mr. Elmhirst telephoned me and said that Mr. Hepburn would like to see me. I went in to Mr. Lyon and said, "Mr. Hepburn wants to see me. I suppose it is all right that I go up?" He said, "Yes, go along."



Q. And what exactly did Mr. Hepburn say?

A. He said that he had received various complaints from Members of his Government that I did not co-operate well enough politically; in other words, that I did not find enough jobs to satisfy various Members of the Legislature, and it was a general critical attitude.

Q. That was his statement, was it?

A. Yes, I explained to him how I thought I had co-operated as well as possible under the circumstances, having regard to the efficiency of the organization, and that while I was a Liberal, I was also a public utility operator.

### THE OLD AND NEW CONTRACTS AND THE METHOD OF COMPUTING THE POWER GROWTH REQUIREMENTS

The evidence reveals that the same methods were used by Dr. Hogg in estimating future requirements in 1937 as were used in 1926 to 1930 in estimating requirements at that time upon which the old contracts were based. The report of the American Engineers, Stone & Webster, obtained by the Lyon Commission shows that for some eighteen years up to 1929, Hydro Consumption had shown a continuous average upward trend of about 11.4%. The old contracts were made on a compromise basis of about 7%. Referring to growth requirements upon which the 1937 contracts were based, Dr. Hogg stated in his evidence:

"That while future load growth is most difficult to predict it would be unsafe for the Commission to make provision for a growth in primary demand of less than approximately 7% per annum; in other words, it appears that the consequences of shortage which might occur if a smaller provision were made would be more serious than the consequences of any over-supply which might occur if provision at 7% per annum were made."

This is almost identical with the reasoning upon which the estimates of future power demands were based in 1926 to 1930 and which were the subject of much violent criticism on the part of Mr. Hepburn who spoke of unneeded power and nefarious agreements. These estimates carried the judgment of all the Commission's Engineers. The 1926 to 1930 estimates were fortified by the reports of the Municipal Engineers throughout the Province. As stated, the old contracts were actually based upon about a 7% annual increase. Criticism has been levelled at the Commission of 1930 for entering into the McLaren contract after depression conditions were already in evidence. The same criticism might be levelled at the Hogg Commission for entering into contracts in 1937 when business recession was plainly evident in Canada and the United States, yet Dr. Hogg states that the contracts of 1937 were justified by the Commission's future needs alone. In our opinion, the contracts of 1926 to 1930 were justified by all of the experience which that Commission could call to hand. The Commission of that day cannot justly be criticized for failing to foresee the depth and duration of the great world depression. Governments and business generally did not. No one in 1930 contemplated the severity of the depression which would be reached in 1933-34. There was nothing in business history to indicate such a thing and it is only fair to point out that the present Commission, with the experience of the last eight years of business conditions to draw upon, had much

more warning of the possibility of such difficulties in 1937 than did the Commission of 1929-1930. Yet, Dr. Hogg feels that the new contracts calculated upon a 7% increase are fully justified and that in face of vastly more international and economic insecurity than existed in 1930. Messrs. Stone & Webster, who were retained by the Lyon Commission, endorsed the computation of power growth requirements in the following words:

"The method used by the Commission's Engineers in making this 1929 estimate is described and ably defended in a pamphlet entitled 'Trend of Electric Demand in Relation to Power Supply' by Mr. F. A. Gaby. This brochure is a reprint of an address delivered by Mr. Gaby to the Ontario Municipal Electric Association at Toronto, January 25th, 1933. Excessive as the predicted growth may seem in the light of subsequent actual demands, it was based on an experience of more than eighteen years in which the load on this system had shown a practically continuous upward trend of about 11.4% per annum. While a study of underlying conditions might have indicated that such a rate of growth could not be maintained indefinitely, *it is doubtful if any statistical analysis at that time would have warranted the conclusions that the same rate of growth might not continue for several years. In my opinion the estimate itself cannot be fairly condemned.*"

Dr. Hogg also stated in his evidence that in 1929 these purchases appeared to be reasonable for the system.

Dr. Hogg in his evidence was asked about these estimates and purchases. See evidence—page 1250:

Q. By Mr. Macaulay. In 1929 is it fair to say it looked as if these purchases were reasonable for the System?

A. I agree.

## THE ALLEGED SAVINGS UNDER THE NEW CONTRACTS

The Government has boasted of savings in the new contracts as compared with the old. Their estimated savings are quite inaccurate running as high as ninety-two million dollars spread over forty years. There are many factors and conditions which are deliberately ignored. For instance, load factors and transforming and transmitting provisions are different and the new contracts contain acceleration clauses, which under conditions which might arise in the next forty years, would raise the cost of power above that in the old agreements. Therefore there would be losses instead of gains.

Herewith is a summarized comparison of the new contract with the old one for each Company:

### BEAUHARNOIS

Period of the old contract extended from October 1st, 1972, to November 1st, 1976.

Weekly Load Factor decreased from 85% to 75%. Price per H.P. changed from \$15.00 to \$12.50. Provision to increase price if any new Quebec power

bought at higher price subsequent to September 30th, 1945, included in new agreement.

Dr. Hogg in his evidence stated that the lowering of the Load Factor in the contract would mean loss in energy to the commission equal to about \$1.50 per H.P. per year for the life of the contract. This item alone amounts to a loss of over \$13,500,000.00 and no account of it is taken in the Government claim of savings.

#### GATINEAU—60 CYCLE

Period extended from September 30th, 1968, to November 30th, 1970. Price per H.P. changed to \$12.50 from \$14.85 and \$14.55.

Former Transmission line rebate of \$60,000.00 per year is cancelled—a loss to the Commission of over \$2,000,000.00. No account of this is taken in Government claim of savings.

Provision whereby the Company would hold 100,000 H.P. in reserve without charge to the Commission, until called upon is cancelled.

Provision to increase price if any new Quebec power bought at a higher price subsequent to September 30th, 1945, included in new contract.

#### GATINEAU—25 CYCLE

Period extended from October 1st, 1958, to November 30th, 1970. Price per H.P. changed to \$12.50 from \$15.00. Provision to increase price if any new Quebec power bought at a higher price subsequent to September 30th, 1945.

In order to bolster the Government statement of savings under this contract the author for matter of calculation extended the life of the old contract twelve years thus erroneously including \$32,000,000.00 in the supposed saving, a serious misrepresentation and miscalculation.

#### McLAREN

Capacity decreased from 125,000 H.P. to 100,000 H.P.

Period decreased from July 1st, 1973, to 1970.

These two items account for a supposed saving of nearly \$17,000,000.00 on McLaren contract but the fact is there is 25,000 H.P. per year less power available and the total contract is shortened three years.

Provision to increase price if any new Quebec power bought at a higher price subsequent to September 30th, 1945.

#### THE OTTAWA VALLEY

Life of the contract to October 1st, 1971, unchanged.

The voltage of delivery decreased from 230,000 volts to 14,500 volts.



The Transformer Agreement cancelled so that the Company does not now pay  $8\frac{1}{2}\%$  per annum on half of the capital cost of the transformer station amounting to \$1.00 per H.P. on 96,000 H.P. (a larger amount if less power is generated). This loss amounts to over \$3,250,000.00 during the life of the contract.

The Hydro Auditors in their report dated March 30th, 1938, on the estimated savings refer to this item as follows:

"We are informed that the amendments to the Ottawa Valley Company 'operating' agreement and the termination of the 'transformer' agreement with the same company will have the effect of increasing the cost of power from that source *but the Commission has not made any estimate of such increase.*"

Provision to increase price if any new Quebec power bought at a higher price subsequent to September 30th, 1945.

#### IMPORTANT FEATURES LOST IN RENEWAL OF THE CONTRACTS

(1) The loss of approximately 12% power in the change of the Beauharnois Load factor 85% to 75%. Loss \$13,500,000.00.

(2) Ottawa Valley Power Company saved the cost of transforming its power. In other words the Commission had to stand the cost and loss in transforming the voltage from generator voltage to high tension. Loss \$3,250,000.00.

(3) The Gatineau 60 cycle contract providing a rebate to the Commission of \$60,000.00 per annum is cancelled. The old price for power under this contract was \$14.85 and \$14.55 less \$1.00 rebate and not \$15.00 as stated. Loss \$2,000,000.00.

(4) Additional reserve of 100,000 H.P. without cost in the first Gatineau 60 cycle contract has been cancelled.

It is important to remember that the price for power under the new contracts is *not* \$12.50

*but* \$12.50 for contract demand

\$10.00 immediate standby

\$ 1.75 general reserve.

(5) New contracts have a price acceleration clause which under the conditions stated would call for an increase in the rate payable per horsepower after September 30th, 1945.

Mrssrs. Price, Waterhouse Company, Auditors, at the request of the Hydro, made a report on this matter, which concluded with this significant statement:

"Accordingly it should be understood that none of the figures produced by or from the calculations of the Municipal Engineering Department (however significant they may be) can be regarded as expressing the precise savings to be actually realized over a long period of years in the future



*but are subject to all the unknown features which may develop in the working out of the contracts.*

Dr. Hogg stated in his evidence—Page 1405:

Q. Is that a fair picture of the saving that the . . . is inevitably bound to make?

A. I do not know. It is entirely a matter of assumption now. Perhaps it is \$92,000,000.00 and perhaps it is something else; but it is hard to get a yardstick without putting all the qualifications underneath. *This is an arithmetical computation for what it is worth.*

Again Dr. Hogg stated on Page 1406:

Q. This arithmetical computation showing a saving of \$92,000,000.00 was the chief plank in their platform down in East Lambton—did you know that?

A. No.

Q. Did you know that that statement was over the signature of your fellow Commissioner, Mr. Houck?

A. Mr. Houck will have to answer that himself. You are certainly going to get no political statements from me for use on the platform in the future.

In comparing the old and new contracts, other things must be borne in mind. The old contracts were entered into for 1926 to 1930 under different business conditions than exist to-day. The Commission of that time was faced with the necessity of obtaining large blocks of power in the near future with the Niagara and St. Lawrence projects in the same uncertain state as they are to-day. They had to turn to Quebec. They had to induce private investors and individuals to build dams and plants in the Province of Quebec and to deliver the power to the Commission at the boundary line. Obviously the contracts had to be remunerative enough to induce the small private investors to advance about 190 millions to the various companies. Accordingly, the \$15.00 rates per H.P. and the other conditions in these contracts must be judged in the light of the conditions under which they were entered into. Compare this situation with the 1937 contracts. The Government of the largest province in Canada had repudiated its obligations. Indeed, the Government had passed legislation to deprive the creditor companies of the right to collect under their judgments in a manner which, if followed by a private individual, would promptly have been set aside by the Courts as fraudulent. Under these conditions and with bond interest defaulted and with power plants and equipment on their hands which they had purchased because of solemn contracts entered into by this Province, these Companies were forced to make compromises. From the evidence we have every reason to think that all of the Companies would have made compromises voluntarily if the matters in dispute had been treated in a business way by the Government of the Province. Mr. Lyon stated in his evidence—Page 408:

"I think if the matter had rested with Dr. Hogg there would have been no cancellation of these contracts."

He further stated that he was opposed to cancellation on principle and that the introduction and proclamation of The Repudiation Act was entirely the act of the Hepburn Government. He stated on page 407:

Q. Did you want to proclaim the Act?

A. No.

Q. I want to stress that because of the big headlines in the paper this morning to the effect that this was a matter decided upon entirely by the Government.

A. It was the decision of the Government.

Q. Presumably only the Government could decide to bring up a piece of legislation on the floor of the House? Hydro could not do that?

A. No. But I thought they might have consulted us down here.

It is for the people of the Province to determine in the long run as to whether it pays this Province to effect a possible saving bought at the price of the repudiation of the good word of this Province.

#### MR. HEPBURN MISREPRESENTS HYDRO'S FINANCIAL POSITION

In the records submitted to the Committee is included a telegram signed by the Prime Minister to the London Daily Telegraph, dated October 25th, 1935, stating that Hydro's resources were being depleted to such an extent that:

"Any private concern would have availed itself of the bankruptcy courts long ago and Hydro or the Province or both were headed that way."

"Reserves will not only be entirely wiped out in 1940 but will show a deficit of over fifteen million dollars."

This was ten months after the Stone & Webster report hereinafter referred to. Such a statement was not only unjustified but can only be termed as recklessly undermining the credit of the Province. The evidence shows that the Commission has built up three funds under the headings of:

1. Sinking Fund.
2. Renewals and Obsolescence Fund.
3. Contingencies Fund.

All through the depression from 1930 to 1937 the first two funds increased by millions while the third fund, following 1932, was drawn upon as might be expected due to the economic conditions which existed at that time. The fund had been created to meet just such an emergency. The sum total of the funds, however, continued to increase despite the withdrawals from the one fund. The following shows the totals of the combined funds for the Niagara System for the following years:

Oct. 31st, 1930 Total	43 million dollars
1931 Total	48.4 million dollars
1932 Total	50.8 million dollars
1933 Total	52.3 million dollars
1934 Total	55 million dollars
1935 Total	57.6 million dollars
1936 Total	65.7 million dollars

The following shows the totals of the combined reserve funds of the whole Hydro System for the same years:

Oct. 31st, 1930 Total	43.1 million dollars
1931 Total	51.8 million dollars
1932 Total	62.1 million dollars
1933 Total	64.9 million dollars
1934 Total	69.3 million dollars
1935 Total	72.5 million dollars
1936 Total	82.4 million dollars

This, without question, is a remarkable showing for a concern which, in the words of the Prime Minister:

“ . . . Should have availed itself of the bankruptcy courts . . . ”

As a matter of comparison while Hydro was making the above showing, the report of Stone & Webster, filed with the Commission in July, 1935, showed that the great Niagara-Hudson Corporation in New York State had actually shown a decrease in total reserves during depression years. It is a matter of satisfaction to know that regardless of the Prime Minister's reckless and unfounded statements Hydro is and always has been throughout the depression thoroughly sound. Mr. Lyon, the then Chairman of the Commission, recognized this and on November 13th, 1934, wrote as follows to Messrs. Stone & Webster, the Commission's Consulting Engineers and Accountants:

*“It is most gratifying to note as your Report shows, that in comparison with the greatest and most enterprising of the privately-owned power corporations of the Continent the Hydro stands up well, not only in the matter of reserves in relation to total capital investment, but in the form of investment of these reserves. I think you are quite right in stating that very few even of the first rank corporations have as large a renewal reserve as the Hydro invested outside of their business.”*

Later Mr. Lyon stated that financially “Hydro has the strength of Gibraltar.”

All of which is respectfully submitted.

LEOPOLD MACAULAY  
GEO. H. CHALLIES  
L. M. FROST  
W. A. BAIRD

## APPENDIX No. 2

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Report, Minutes and Proceedings of the Standing  
Committee on Public Accounts

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Session of 1939





No. 2

## Report of the Standing Committee on Public Accounts

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SESSION OF 1939

*To the Honourable the Legislative Assembly of the Province of Ontario:*

Gentlemen :

Your Committee has had produced before it documents and correspondence and heard evidence in connection with the Ontario Mental Hospital, St. Thomas; the appointment of Dr. W. D. Smith, as Superintendent of the Ontario Mental Hospital, St. Thomas; and matters relative to the revenue and expenditures of Ontario for the fiscal year ending March 31st, 1938.

Your Committee begs to report the evidence taken, transcript of which is hereto attached, and exhibits filed.

Your Committee sat on the following dates: April 14th, April 18th, April 19th, April 20th, April 21st, April 24th, and April 25th, 1939.

Your Committee examined the following witnesses: Dr. Bernard T. McGhie, Deputy Minister of Health; R. A. McAllister, Deputy Minister of Public Works; Dr. W. D. Smith, Superintendent of Ontario Mental Hospital, St. Thomas; George Norman Williams, Assistant Architect, Department of Public Works; Chester S. Walters, Deputy Provincial Treasurer; R. M. Smith, Deputy Minister of Highways.

All of which is respectfully submitted.

JAMES M. COOPER,  
*Chairman.*

Public Accounts Committee Room,  
Tuesday, April 25th, 1939.

# Minutes

## COMMITTEE ON PUBLIC ACCOUNTS, 1939

Public Accounts Committee Room,  
Parliament Buildings,  
Toronto, April 14th, 1939.

The Select Standing Committee to whom was referred the examination of the Public Accounts for the fiscal year commencing April 1st, 1937, and ending March 31st, 1938, composed of the following members: Messrs. Hepburn, Acres, Anderson, Armstrong, Arnott, Baird, Baker, Ballantyne, Bélanger, Black, Blakelock, Bradley, Brownridge, Campbell (Kent East), Campbell (Sault Ste. Marie), Carr, Challies, Conant, Cooper, Cox, Croll, Cross, Dewan, Dickson, Doucett, Drew, Duckworth, Dunbar, Duncan, Elgie, Elliott, Fairbank, Fletcher, Freeborn, Frost, Gardhouse, Glass, Gordon, Heenan, Henry, Hipel, Houck, Kelly, Kidd, Kirby, Lamport, Leduc, Macaulay, Macfie, MacGillivray, Mackay, Mercer, Miller, Murphy, Murray, McEwing, McQuesten, Newlands, Nixon (Brant), Nixon (Temiskaming), Oliver, Patterson, Reynolds, Roebuck, Simpson, Smith, Stewart, Strachan, Welsh—69, met this day for organization.

Present: Messrs. Anderson, Baker, Bélanger, Black, Bradley, Brownridge, Campbell (Kent East), Campbell (Sault Ste. Marie), Carr, Challies, Conant, Cooper, Drew, Duckworth, Duncan, Elgie, Elliott, Fairbank, Frost, Glass, Gordon, Heenan, Henry, Kidd, Lamport, Leduc, Macaulay, MacGillivray, Mackay, Murphy, McEwing, Newlands, Nixon (Brant), Nixon (Temiskaming), Oliver, Stewart, Strachan, Welsh.

Moved by Mr. Strachan, seconded by Mr. Lamport,

That Mr. J. M. Cooper be appointed Chairman of the Committee. Carried.

Moved by Mr. Drew, seconded by Mr. Macaulay,

That Mr. R. A. McAllister, Deputy Minister of Public Works, be summoned to appear before the Public Accounts Committee at the next session thereof to give evidence with reference to certain items listed on Page S. 24 of Public Accounts for the year ending 31st March, 1938, as follows: Ontario Hospital, St. Thomas: \$1,372,414.94. And to give evidence with reference to all subsequent tenders on the said Ontario Hospital, St. Thomas, and to produce for the Committee all correspondence, offers, tenders, papers, specifications, agreements, surveys, plans, profiles, progress and final certificates, inspectors' daily reports, engineers' monthly estimates, and telegrams or other documents related to the said items.

Carried.

Moved by Mr. Drew, seconded by Mr. Macaulay,

That Dr. W. D. Smith, Superintendent of the Ontario Hospital, St. Thomas, be summoned to appear before the Public Accounts Committee at the next session thereof to give evidence with reference to all items of Public Accounts up to March 31st, 1939, with reference to payments to himself by way of salary or otherwise, and also to all items of Public Accounts in connection with the Ontario Hospital, St. Thomas, which are subject to his recommendation or control, and to produce before the Committee all correspondence, offers, tenders, papers, documents, specifications, agreements, surveys, plans and other documents referring to the said items.

Carried.

The Committee adjourned until Tuesday, April 18th, 1939, at 9.30 a.m.

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## SECOND SITTING

Public Accounts Committee Room,  
Parliament Buildings,  
Toronto, April 18th, 1939.

The Committee met at 9.30 a.m.

Mr. Cooper in the chair.

Present: Messrs. Acres, Anderson, Arnott, Baker, Ballantyne, Bélanger, Black, Blakelock, Bradley, Brownridge, Campbell (Kent East), Campbell (Sault Ste. Marie), Carr, Challies, Conant, Cooper, Croll, Cross, Dewan, Dickson, Doucett, Drew, Duckworth, Duncan, Elliott, Fairbank, Fletcher, Freeborn, Frost, Gardhouse, Glass, Gordon, Heenan, Henry, Hipel, Kelly, Kidd, Kirby, Lamport, Leduc, Macfie, MacGillivray, Mackay, Mercer, Murphy, McEwing, Newlands, Nixon (Brant), Nixon (Temiskaming), Oliver, Reynolds, Simpson, Smith, Stewart, Strachan, Welsh.

Dr. Bernard T. McGhie, Deputy Minister of Health, was duly sworn and examined by Mr. Drew, Mr. Strachan and Mr. Elliott, in reference to the Ontario Mental Hospital, St. Thomas, and the appointment of Dr. W. D. Smith, Superintendent of the Ontario Mental Hospital, St. Thomas.

Mr. R. A. McAllister, Deputy Minister of Public Accounts, was duly sworn and examined by Mr. Drew, Mr. Strachan and Mr. Elliott, in reference to the Ontario Mental Hospital, St. Thomas, and more particularly items listed on Page S. 24 of Public Accounts for the fiscal year ended March 31st, 1938.

The Committee adjourned until Wednesday, April 19th, 1939, at 11 a.m.



## THIRD SITTING

Public Accounts Committee Room,  
Parliament Buildings,  
Toronto, April 19th, 1939.

The Committee met at 11 a.m.

Mr. Cooper in the chair.

Present: Messrs. Acres, Anderson, Arnott, Bélanger, Black, Bradley, Campbell (Kent East), Campbell (Sault Ste. Marie), Carr, Challies, Conant, Cooper, Croll, Dewan, Dickson, Drew, Duckworth, Dunbar, Duncan, Elgie, Elliott, Fletcher, Freeborn, Frost, Gardhouse, Gordon, Heenan, Hipel, Kelly, Kidd, Kirby, Lamport, Leduc, Macaulay, Macfie, MacGillivray, Mackay, Mercer, Miller, Murphy, Murray, McEwing, Newlands, Nixon (Brant), Nixon (Temiskaming), Oliver, Simpson, Stewart, Strachan, Welsh.

Dr. W. D. Smith, Superintendent of the Ontario Mental Hospital, was duly sworn and examined by Mr. Drew, Mr. Strachan and Mr. Elliott, in reference to his appointment as Superintendent of the Ontario Mental Hospital, St. Thomas.

Mr. R. A. McAllister was recalled and examined by Mr. Drew, Mr. Strachan, and Mr. Elliott in reference to the Ontario Mental Hospital, St. Thomas.

The Secretary was instructed by the Chairman to have corrected a mistake in the transcription of evidence taken before the Committee on April 18th, occurring on Page 61, Line 12, of the transcript, by changing the word "Four" to "Twenty-Four."

Moved by Mr. Macaulay, seconded by Mr. Welsh,

That Chester S. Walters, Controller of Revenue of the Province, be summoned to appear before the Public Accounts Committee at the next session thereof to give evidence with reference to the statement of Gross Ordinary Revenue, Gross Ordinary Expenditure, Gross Capital Receipts, Gross Capital Payments for the fiscal years ending March 31st, 1939, and March 31st, 1940. And to produce before the Committee all books, documents and memoranda relating thereto.

Mr. Macaulay agreed to amend the foregoing resolution upon objections by Mr. Nixon (Brant), and other members that the matters to be inquired into under the said resolution were beyond the powers of the Committee prescribed in the House Rules.

The motion as amended, moved by Mr. Macaulay, seconded by Mr. Welsh,

That Chester S. Walters, Controller of Revenue of the Province, be summoned to appear before the Public Accounts Committee at the next session thereof to give evidence with reference to the statement of Gross Ordinary Revenue,

Gross Ordinary Expenditure, Gross Capital Receipts, Gross Capital Payments for the Fiscal years ending March 31st, 1938, and March 31st, 1939. And to produce before the Committee all documents, books and memoranda relating thereto.

And a debate having arisen, after some time, it was

Moved by Mr. Nixon (Brant), seconded by Mr. Leduc, that the motion be amended by limiting the original motion to the fiscal year ending March 31st, 1938.

The motion was amended,

That Chester S. Walters, Controller of Revenue of the Province, be summoned to appear before the Public Accounts Committee at the next session thereof to give evence with reference to the statement of Gross Ordinary Revenue, Gross Ordinary Expenditure, Gross Capital Receipts, Gross Capital Payments for the fiscal year ending March 31st, 1938. And to produce before the Committee all documents, books, and memoranda relating thereto.

The amendment to the motion was carried upon division.

#### YEAS

Anderson, Campbell (East Kent), Campbell (Sault Ste. Marie), Carr, Dewan, Dickson, Duncan, Elliott, Fletcher, Gordon, Heenan, Hipel, Lamport, Leduc, Macfie, MacGillivray, Mackay, Mercer, McEwing, Newlands, Nixon (Brant), Nixon (Temiskaming), Simpson, Strachan—24.

#### NAYS

Acres, Arnott, Challies, Drew, Elgie, Frost, Kidd, Macaulay, Murphy, Welsh—10.

The Committee adjourned to meet Thursday, April 20th, 1939, at 10 a.m.

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#### FOURTH SITTING

Public Accounts Committee Room,  
Parliament Buildings,  
Toronto, April 20th, 1939.

The Committee met at 10 a.m.

Mr. Cooper in the chair.

Present: Messrs. Acres, Anderson, Baker, Ballantyne, Bélanger, Black, Bradley, Brownridge, Campbell (Sault Ste. Marie), Carr, Conant, Cooper, Dewan, Dickson, Doucett, Drew, Duckworth, Dunbar, Elgie, Elliott, Fairbank,

Frost, Heenan, Henry, Hipel, Kidd, Lamport, Leduc, Macaulay, Macfie, MacGillivray, Mackay, Murray, McEwing, Newlands, Nixon (Brant), Nixon (Temiskaming), Oliver, Reynolds, Stewart, Strachan, Welsh.

Mr. R. A. McAllister, Deputy Minister of Public Works, was recalled for examination by Mr. Drew and members in reference to the Ontario Mental Hospital, St. Thomas.

Mr. George Norman Williams, Assistant Architect, Department of Public Works, was duly sworn and examined by Mr. Drew, Mr. Strachan and Mr. Elliott, in reference to the Ontario Mental Hospital, St. Thomas.

The Committee adjourned until Friday, April 21st, at 10 a.m.

#### FIFTH SITTING

Public Accounts Committee Room,  
Parliament Buildings,  
Toronto, April 21st, 1939.

The Committee met at 10 a.m.

Mr. Cooper in the chair.

Present: Messrs. Acres, Anderson, Armstrong, Arnott, Baker, Bélanger, Ballantyne, Black, Brownridge, Campbell (East Kent), Campbell (Sault Ste. Marie), Carr, Challies, Conant, Cooper, Croll, Cross, Dewar, Elgie, Dickson, Doucet, Drew, Duckworth, Elliott, Fairbank, Frost, Gardhouse, Glass, Heenan, Hipel, Kelly, Kidd, Leduc, Macaulay, MacGillivray, Mackay, Mercer, Miller, Murray, McEwing, Nixon (Brant), Nixon (Temiskaming), Newlands, Oliver, Reynolds, Simpson, Strachan, Welsh.

Mr. R. A. McAllister, Deputy Minister of Public Works, was recalled for examination in reference to the Ontario Mental Hospital, St. Thomas.

Mr. George Norman Williams, Assistant Architect in the Department of Public Works, was recalled for examination in reference to the Ontario Mental Hospital, St. Thomas.

Chester S. Walters, Deputy Provincial Treasurer, was duly sworn and examined by Mr. Macaulay and Mr. Elliott, in reference to the statement of Gross Ordinary Revenue, Gross Ordinary Expenditure, Gross Capital Receipts, Gross Capital Payments for the fiscal year ending March 31st, 1938.

Moved by Mr. Macaulay, seconded by Mr. Drew,

That this Committee request the authority from the Treasury Department, or the Legislature, or both, if necessary, to obtain the details of the item of revenue on Page 29 of the Public Accounts, Succession Duties, \$20,214,183.30.

And a debate having arisen, after a time the question was put and lost on a division.

## YEAS

Acres, Drew, Duckworth, Elgie, Frost, Kidd, Macaulay, Reynolds—8.

## NAYS

Anderson, Baker, Ballantyne, Bélanger, Brownridge, Campbell (Sault Ste. Marie), Carr, Conant, Dewan, Dickson, Elliott, Fairbank, Heenan, Hipel, Leduc, Mackay, Murray, McEwing, Newlands, Nixon (Brant), Nixon (Temiskaming), Strachan—22.

While the roll was being called Mr. Macaulay objected to Mr. Mackay's vote being recorded in the negative. Mr. Mackay informed the Committee that he had voted negative.

The Chairman ruled that Mr. Mackay's name be recorded as having voted against the motion.

At the conclusion of the roll call Mr. Lamport asked that his name be recorded as having voted against the motion.

The Chairman ruled that as Mr. Lamport was not in the Committee Room when his name was called his vote be not recorded.

The Committee adjourned until 10 a.m. Monday, April 24th, 1939.

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SIXTH SITTING

Public Accounts Committee Room,  
Parliament Buildings,  
Toronto, April 24th, 1939.

The Committee met at 10 a.m.

Mr. Cooper in the chair.

Present: Messrs. Acres, Anderson, Arnott, Baker, Bélanger, Black, Bradley, Campbell (Sault Ste. Marie), Carr, Conant, Cooper, Croll, Dewan, Doucett, Drew, Duckworth, Dunbar, Elgie, Elliott, Gardhouse, Heenan, Hipel, Kelly, Kidd, Kirby, Lamport, Leduc, Macaulay, MacGillivray, Mercer, Murray, Nixon (Brant), Nixon (Temiskaming), Reynolds, Simpson, Stewart, Strachan, Welsh.

Chester S. Walters, Deputy Provincial Treasurer, was recalled for examination in reference to the statement of Gross Ordinary Revenue, Gross Ordinary Expenditure, Gross Capital Receipts, Gross Capital Payments for the fiscal year ending March 31st, 1938.

The Committee adjourned until 10 o'clock a.m. on Tuesday, April 25th, 1939.



## SEVENTH SITTING

Public Accounts Committee Room,  
Parliament Buildings,  
Toronto, April 25th, 1939.

The Committee met at 10 a.m.

Mr. Cooper in the chair.

Present: Messrs. Armstrong, Arnott, Baker, Bélanger, Black, Campbell (East Kent), Campbell (Sault Ste. Marie), Carr, Challies, Conant, Cooper, Croll, Dickson, Doucett, Duckworth, Duncan, Elliott, Fairbank, Fletcher, Frost, Gardhouse, Heenan, Hipel, Kelly, Lamport, Leduc, Macaulay, MacGillivray, Mercer, Miller, McEwing, Nixon (Brant), Nixon (Temiskaming), Oliver, Stewart, Strachan, Welsh.

Mr. Chester S. Walters, Deputy Provincial Treasurer, was recalled for examination in reference to the statement of Gross Ordinary Revenue, Gross Ordinary Expenditure, Gross Capital Receipts, Gross Capital Payments for the fiscal year ending March 31st, 1938.

Mr. R. M. Smith, Deputy Minister of Highways, was duly sworn and examined in reference to contracts of the Department of Highways carried on during the fiscal year ending March 31st, 1938, payment for which was not made and was charged to the fiscal year ending March 31st, 1939.

Moved by Mr. Macaulay, seconded by Mr. Nixon,

That the report of the Committee's activities as prepared by the Chairman and Secretary be presented to the Legislative Assembly of the Province of Ontario.

The Committee then adjourned for the Session.

# Proceedings

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

Parliament Buildings,  
Toronto, Friday, April 14th, 1939, 10.30 a.m.

MAJOR LEWIS (Chairman, *pro tem.*): I am open for nominations for Chairman of the Committee.

MR. STRACHAN: I move that Mr. Cooper, Sudbury, be Chairman of the Committee.

MR. LAMPORT: I second that.

MAJOR LEWIS (Chairman, *pro tem.*): Moved by Mr. Strachan, seconded by Mr. Lamport, that Mr. Cooper be Chairman of the Committee. Is that the pleasure of the Committee? (Motion carried.)

THE CHAIRMAN: Would Mr. Nixon, and Colonel Drew, and the Attorney-General and Mr. Leduc come up to the head table, please?

Gentlemen, this is the first meeting of this Committee since the last election, and a lot of the new members I suppose are not very familiar with the procedure, like myself, but I think with the co-operation of the members we will get along and despatch the business as quickly as possible. The meeting is now open for any motions that anybody wishes to make.

MAJOR LEWIS: Call the roll.

The Secretary calls roll.

THE CHAIRMAN: Gentlemen, the meeting is open for any motions.

MR. DREW: Moved by myself, seconded by Mr. Macaulay:—

That Mr. R. A. McAllister, Deputy Minister of Public Works, be summoned to appear before the Public Accounts Committee at the next session thereof to give evidence with reference to certain items listed on page S 24 of Public Accounts for the year ending the 31st of March, 1938, as follows: The Ontario Hospital, St. Thomas, \$1,372,414.94.

And to give evidence with reference to all subsequent tenders on the said Ontario Hospital, St. Thomas, and to produce for the Committee all correspondence, offers, tenders, papers, documents, specifications, agreements, surveys, plans, profiles, progress and final certificates, inspectors' daily reports, engineers' monthly estimates, and telegrams or other documents related to the said items.

THE CHAIRMAN: Gentlemen, you have all heard the motion. I do not think it is necessary to re-read it, that Mr. McAllister be called to give evidence before this Committee and to produce certain documents. What is your pleasure? (Motion carried.)

MR. DREW: Moved by myself and seconded by Mr. Macaulay:—

That Dr. W. D. Smith, superintendent of the Ontario Hospital, St. Thomas, be summoned to appear before the Public Accounts Committee at the next session thereof to give evidence with reference to all items of public accounts up to March 31st, 1939, with reference to payment to himself by way of salary or otherwise, and also to all items of public accounts in connection with the Ontario Hospital, St. Thomas, which are subject to his recommendation or control, and to produce before the Committee all correspondence, offers, tenders, papers, documents, specifications, agreements, surveys, plans and other documents referred to the said items.

HON. MR. NIXON: Are you sure that Smith is superintendent?

MR. DREW: He is up there in charge.

MR. MACAULAY: That just identifies him.

HON. MR. NIXON: Frankly, I am not sure.

MR. DREW: Leave out the word "superintendent." All I know is he is in charge there.

MR. MACAULAY: Mr. Hepburn announced he was going to be superintendent of the hospital. I do not think there is any doubt about it. "Proposed superintendent," if you like.

MR. DREW: I am quite agreeable to leave out the word "superintendent."

MR. MACAULAY: Put "proposed" in front of it.

HON. MR. NIXON: If he isn't the superintendent why not have what you are asking for?

MR. DREW: I do not think you will question the fact he is now in charge.

HON. MR. CAMPBELL: Mr. Chairman, I just came in the room, and I understand there is a resolution passed affecting my department. I would like to know what you desire.

MR. MACAULAY: Is Smith the superintendent there now?

HON. MR. CAMPBELL: Yes, starting this week.

HON. MR. NIXON: He has been appointed—

HON. MR. CAMPBELL: He just started this week and is only running a portion of it. He is only running the portion that is open.

MR. DREW: I am prepared to take the statement of the Minister of Public Works that he is the superintendent.

MR. CHALLIES: We had better get together and hear what he is and who he is and where he is.

THE CHAIRMAN: You have heard the motion, that Dr. W. D. Smith, superintendent of the Ontario Hospital, St. Thomas, appear before the next session to give evidence with reference to all items of public accounts up to March 31st, 1939—

HON. MR. CAMPBELL: He has nothing to do with the hospital before March 31st.

MR. MACAULAY: We will see when he gets here.

MR. DREW: Has he just been a guest there in the meantime?

HON. MR. CAMPBELL: They only took it over then.

MR. MACAULAY: We will find out what he has been drawing pay for.

THE CHAIRMAN: Also all items of public accounts in connection with the Ontario Hospital, St. Thomas, which are subject to his recommendation or control, and to produce before the Committee all correspondence, offers, tenders, papers, documents, specifications, agreements, surveys, plans and other documents referring to the said items.

Now, is it the pleasure of the Committee that the motion carry? (Motion carried.)

Any further motions?

HON. MR. NIXON: When do you want to meet again?

MR. DREW: Monday would be fine as far as I am concerned. We want to speed it up as much as possible but I do not want anything to arise whereby anyone might say they have not had an opportunity to get the material together. That is all.

THE CHAIRMAN: It might be a good plan to set the time so the members of the Committee will know. Probably this Committee may sit for several days, or more than one day, at least.

MR. DREW: I am sure of that.

THE CHAIRMAN: If we could settle the time now it might be a convenience to the members to know.

MR. MACAULAY: Monday morning.

THE CHAIRMAN: The suggestion is we meet on Monday.



SOME HON. MEMBERS: No, no. Monday is a bad day.

THE CHAIRMAN: There is no suggestion we start with it earlier, so what about Tuesday, 9.30 on Tuesday morning? Does that meet with your approval? All in favour of 9.30 Tuesday morning? (Carried.)

Whereupon the Committee adjourned until Tuesday, April 18th, 1939, at 9.30 a.m.

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## SECOND SITTING

Parliament Buildings, Toronto,  
Tuesday, April 18th, 1939, 9.30 a.m.

The further proceedings of this Committee reconvened pursuant to adjournment.

MR. J. M. COOPER, Chairman, presiding. MR. V. BYFIELD, Secretary.

THE CHAIRMAN: The Committee will please come to order. The first item is the calling of the roll.

The roll was called by the Secretary of the Committee.

THE CHAIRMAN: Now, gentlemen, from the looks of the exhibits which are piled before us here to-day, it seems that this Public Accounts' Committee may sit for more than one day at least, and some of the ministers, of course, have to make arrangements, and we would like to discuss the time that the future meetings will take place. I presume it will be continued each morning until this inquiry is completed. It is the hours we would like to discuss at this time.

MR. STRACHAN: Mr. Chairman, at our organization meeting a subpoena was issued for Dr. Smith, who is now the superintendent at St. Thomas, but he had a prior engagement of some long standing for to-day, and I spoke to my learned friend, Colonel Drew, yesterday, and Dr. Smith will be here at another sitting. This was quite agreeable to my learned friend.

He did at that time suggest that Dr. McGhie. We have here to-day Mr. McAllister and Dr. McGhie. I shall wish to call some witnesses also, and, of course, it will be quite impossible to finish the sittings to-day.

To-morrow morning the Legal Bills is on, and I prefer not to go on to-morrow. I am chairman of the Legal Bills.

THE CHAIRMAN: A suggestion has been made that we sit until 12.30 to-day, and at that time we will see how we are proceeding, and I presume we can then fix a time for our future sittings. Is that satisfactory? (Carried.)

MR. STRACHAN: Mr. Chairman, my learned friend has asked that Dr.

McGhie be here. There are a few questions he was going to ask Dr. Smith, but Dr. McGhie is here, and if my learned friend would like me to call Dr. McGhie now, I will do so.

THE CHAIRMAN: Very well.

DR. BERNARD MCGHIE, a witness, being called and duly sworn, testifies as follows:

THE CHAIRMAN: In order to examine the witnesses, it will not be necessary for counsel to stand. They may remain in their seats.

MR. DREW: Q. I might explain, before asking Dr. McGhie certain questions, that the reason I suggested that he be called first is because I had proposed to question Dr. Smith. In view of the fact that Mr. Strachan has explained that Dr. Smith had some other arrangements, I did not wish to press that point, but I think the questions—or some of the questions—I had intended asking Dr. Smith as preliminary to some of the further questions I propose to ask in connection with the accounts themselves from the Deputy Minister of Public Works, could be answered by Dr. McGhie, and in doing so I would like to confine my remarks to those general remarks I had contemplated discussing with Dr. Smith, and if Dr. McGhie should at some later time be called in, we could extend the examination at that time.

Q. Dr. McGhie, you are the Deputy Minister?

A. I am, yes.

Q. Of Public Health?

A. Yes, sir.

Q. And the administrative control from the medical point of view comes under your department, as far as the Ontario Hospitals are concerned?

A. That is true.

Q. Who is the superintendent of the Ontario Hospital at St. Thomas?

A. Dr. W. D. Smith.

Q. What was the date of his appointment?

A. March 15th, 1939—to that position.

Q. What was his position before that?

A. Assistant physician in the Department from December 8th, 1937, until March 15th, 1939.

Q. From September,—

A. From December 8th, 1937, until March 15th, 1939.

Q. And what was his salary during that period?

A. \$3,600.00 per annum.

Q. Up until March 15th, 1939?

A. Yes, that is correct.

Q. And what is his salary now?

A. \$5,400.00 per annum.

Q. How does that compare with the salaries of superintendents at the other Ontario Hospitals?

A. The salaries contained in the schedule of salaries for the Civil Service shows three grades, depending on the size of the hospital.

Hospitals of the size of Penetanguishene and Cobourg are the smallest group, and those of the size of the Toronto hospital, Queen Street, is second, and then this is the minimum salary for the third and largest group of hospitals.

Q. What hospitals are in that largest group?

A. The Ontario Hospital at London, the Ontario Hospital at Whitby, and New Toronto; those are the three largest ones.

Q. Now, what was the nature of his duties as assistant physician?

A. He was assigned to the Ontario Hospital at Whitby from December 8th, 1937, until some time in August, 1938, and during that time he was in charge of the regular duties of the ward doctor, in charge of a ward of the hospital, and I had asked the superintendent to give him special experience in hospital administration from his office during the same period.

Q. Why had those instructions been given?

A. Because it was my understanding that Dr. Smith was to take over his present duties, and Whitby was our next largest hospital to the one planned at St. Thomas, and I wanted him to be thoroughly familiar with the operations of a hospital of that type.

Q. You mean by that, at the time Dr. Smith went to Whitby it was understood he was to be superintendent at St. Thomas?

A. That was my understanding.

Q. That would be when?

A. That was in December, 1937.

Q. I want that quite clear. At the time that he first was attached to the Ontario Hospital at Whitby, there was a clear understanding then, as far as you knew, that Dr. Smith was to ultimately become the superintendent at St. Thomas; is that it?

A. Well, it was proposed that he might ultimately become superintendent there, and having that in mind, I wanted him to have all the experience he could get in the administration of that type of hospital.

Q. Had he been connected with any of the Ontario Hospitals before that time?

A. Not before December, 1937, no.

Q. Had he any administrative experience before that time, to your knowledge?

A. I believe some years before that he had some experience in New York, but he had been in practice for some years in the interim.

Q. You mean, some experience in New York—in what?

A. Nervous and mental diseases, doing a post-graduate instruction there. It was not long after his graduation.

Q. It was not long after his graduation?

A. No.

Q. Then, as far as you know, between that time and the time that he came into the Ontario Hospital at Whitby in 1937, he had not been connected with psychiatric work?

A. No, he had not. I knew that he had a special interest in that field. He used to come in and discuss it, but he was not actually active in that field.

Q. Now, at the present time then, he is actually in charge of the administrative details of the Ontario Hospital at St. Thomas?

A. That is correct, yes.

Q. And in that respect could you tell—or would it be really more within the knowledge of the Deputy Minister of Public Works—as to how far he advises in connection with the purchases of technical equipment related to psychiatric treatment?

A. Well, I mentioned before that he was transferred into the Department more directly under my supervision in August, 1938, and from that time on he was kept by my office in touch with the development of the equipment required for the hospital. He had knowledge of everything that was going forward,



as far as our department was concerned. We were from time to time asked for advice by the Department of Public Works as to the type of medical—chiefly—equipment that we required to operate these hospitals, and in that connection he had knowledge of it, and I take the responsibility for the information that was passed on to Deputy Minister of Public Works in that connection. I had knowledge of it all.

Q. Well, just as a matter of the mechanics of placing these orders from now on; supposing new therapeutic equipment is required, what will be the actual process by which an order will go through for that and be carried out?

A. Well, my understanding is, and has been over years in the Department, that it is the duty of the Public Works to hand over a new building fully equipped to be operated for the purposes for which it was intended, and over the past two, that is, from time to time, I have discussed with the assistant architect and Deputy Minister of Public Works what the nature of the equipment should be for the hospital, and we hope when it is handed over in its entirety, it will be complete.

The sections that have already been taken over, of which Dr. Smith is the superintendent, are, for the most part, complete. There are some curtains, and some minor details, but the hospital proper with the technical equipment has not been completed or handed over to us yet. We will be no doubt consulted for procedure, as has been done from time to time with respect to the nature of the equipment placed there.

X-ray has not been discussed yet, other than the actual lay-out on the plan of the amount of accommodation required in which to install the X-ray. Does that answer your question?

Q. Up to a point, but I would like to get clearly in a perfectly simple way, what is the procedure by which you arrive at a decision as to the method by which you are going to equip what is a highly specialized hospital of this kind?

Now, let me take an example; there is certain changing technique in connection with the treatment of any of these vague diseases, like mental diseases, and as one reads year by year, the theories change with regard to this. Now, how actually does the Department of Health make its decision as to the type of equipment which they will put in there? Just describe what will actually take place, we will say, in arriving at how you will equip your therapeutic room?

A. I can best answer that question by giving you an example. We have discussed with Mr. McAllister with regard to the new equipment in the Psychiatric Hospital, and Sir Frederick Banting and the Psychiatric Hospital have installed new equipment which has about the same relationship to mental diseases as the electro cardiograph has to heart conditions. And we have asked Mr. McAllister and his staff, and have discussed the installation of this new unit at Woodstock, because of the fact that that equipment is specially installed for the treatment of epileptics, and it will greatly assist us to locate the tumour growth which may cause epilepsy, and we approached that department and said we wanted certain things in this new hospital.

We have tested them out. We know of other centres which have tested them out, and we feel it should be part of the equipment. Then, it rests with that department, and the treasury, as to whether they will install that. It is government policy as to whether that will be installed.

Q. What I am more interested in at the moment—more than the question of governmental policy—is still as to the mechanics of—

A. The actual purchase?

Q. —deciding what you will put in, and what you will not put in. Let me explain. There is conflicting opinion amongst technical experts as to this type of equipment, and that type of equipment; how do you actually arrive at a decision as to what type of equipment you will put in?

A. Suppose there was an X-ray machine required, where there are several types on the market. We say we want a type which will do a certain kind of work. We do not specify the actual make of the machine, but it is the type of machine. We may have two or three catalogues or their equivalent. When we call for tenders we do not examine these or say from what firm we will get this machine, or have anything to do with that, as long as the machine will do the work we ask for. That is all we have to say about it.

Q. Have you not an advisory committee in psychiatry—an advisory committee or anything of that kind?

A. Our director in the hospital division, Dr. Fair, is a professor of psychiatry. We consult him from time to time and we have another committee with respect to staff matters, made up of the professor of psychiatry of the three medical schools of the Province, and any of our officers depending on their particular training, are called in to advise.

In all our X-ray equipment, Dr. Brake and his staff, who do that work in the chest clinics of the Province, and are therefore more familiar with it than any of our other staff, act as consultants in that field.

Dr. McKay, our specialist in venereal diseases, is consulted in particular respect to the type of equipment we require there.

Dr. MacNabb, the director of the laboratory, is called in in connection with all plans which have to do with the laboratories in these hospitals, and Dr. Barry, our sanitary engineer, is consulted in connection with everything pertaining to his particular field, so that it is our own department, including the Department of Health, in which we have experts who are advising in connection with every hospital in the Province, and we made use of them in connection with our programme.

HON. MR. CONANT: Q. These men have been in the Department quite a few years?

A. The men I have just mentioned, yes. They were here when I came in from the hospital as superintendent—

Q. What do you mean? Ten or fifteen years?

A. Yes, I think all of them have been there ten years.

MR. DREW: Q. Dr. McGhie, in this particular case; are plans clearly laid out now for the type of equipment for the whole plant, or do you decide as each unit is completed what you will put in?—

A. No; we have a block plan of the institution as a whole, to begin with, and then our Department is asked to sit in in the planning which shows ultimately the size of the institution, and more details of each building. The general plan of the rooms themselves, some immediately after the block plan is prepared, and then, as the building goes forward, the actual equipment to go into these rooms is worked out in more minute detail.

Q. Now, to revert to Dr. Smith for a moment; during the time that he was attached to the hospital at Whitby, what would be the exact nature of his duties there?

A. Well, he would be like the other medical officers in charge of a certain number of patients in one or two or three wards, and responsible for their examination, and present their cases before a conference of which the superintendent is chairman, with a diagnosis and outline of treatment made by him, and in addition to that the superintendent had him become familiar with the actual business supervision of the hospital, to the extent that he knew of the activities in the steward's office,—or the "bursar" as we used to call him—in a way that a physician ordinarily joining the staff for a short time would not become familiar with.

Q. Then, outside of the instructions and seeing that he got certain special information as he could about the administrative detail and so, because of your knowledge of the intended appointment, his work outside of that would be simply that of the ordinary physician in a psychiatric institution.

A. Yes, that is all there would be for him to do. The administrative side and the medical side. There are just the two parts to the work.

I might say that all our superintendents more recently are being brought into the department to become familiar with the routine from that end, and that was why Dr. Smith was brought into the Department in August of 1938, to become familiar with the administration from that angle. They have a little more understanding of the instructions from head office if they know the routine of head office.

Q. Do you know where he was practising before his appointment as assistant physician at Whitby?

A. He was practising in Dufferin County; I forget the name of the town for the moment.

Q. But as a general practitioner?

A. Oh yes; yes, sir.



Q. And who particularly in your Department supervises the affairs of the psychiatric branch of your work?

A. Dr. R. C. Montgomery. He was formerly superintendent at Toronto—Queen Street.

Q. What is his actual position at the moment?

A. Director of the Mental Hospital Services.

Q. And he is in the Department?

A. That is right, yes.

Q. And I assume that you yourself, as Deputy Minister, are in contact with the general policies with regard to matters of this kind?

A. That is correct, yes.

Q. Now, in relation to that, and because of the extreme importance that the treatment of mental illnesses has assumed in the last few years, can you tell me whether there has been any attempt to follow the trend of development along the line of treatment of psychiatric treatment in the United States?

A. Yes, there has been.

Q. And you, then, would be aware of the very extensive discussions which have taken place in the last couple of years before the American Association for the Advancement of Science?

A. Yes, I was present at those meetings.

Q. And you would, therefore, be aware that one of the things which has been most actively discussed by the psychiatric branch of the American Association for the Advancement of Science is the question of qualifications in relation to the administrative control of mental hospitals?

A. That is true.

Q. And I find on reading through the papers of the recent meetings of the Association that an extraordinary high percentage of the discussion there has been devoted to the necessity of the high qualifications of the technical nature and administrative control of institutions of this type; you know that to be the case?

A. I do, yes.

Q. And I find that one of the things which they have been most strongly emphasizing is what they term "political evils in appointments to institutions for mental treatment;" are you aware of that?

A. Yes, I know that in some of the States especially, that the hospital



superintendents in the mental hospitals change every time the Government of the State changes.

Q. I am referring to a paper here by Dr. William L. Russell, formerly general psychiatric director, Society of the New York Hospital, New York City?

A. Yes, I know him.

Q. And he is a very eminent man, a Canadian?

A. Yes, he is a Canadian. I know him very, very well.

Q. From my information, he is one of the most eminent of the psychiatric specialists in the United States to-day?

A. Yes.

Q. I have here a paper given by him on Friday, December 30th, 1938, and the general subject was, "Measures governing the qualifications for appointment, training and tenure of those employed in the public care of the mentally ill?"

A. Yes.

Q. I will ask you whether you have heard of that paper?

A. Yes, I was present when he gave it.

Q. Oh, you were present when he gave it?

A. Yes.

Q. And it was a paper, I happen to know from reading the press, which attracted a great deal of attention?

A. That is true.

Q. I notice—I think perhaps the best way for me to do would be to read a short part of that, and to ask you if you care to make a comment as to what the attitude of those present at that very important gathering was, in relation to this particular phase of the discussion.

MR. STRACHAN: Mr. Chairman, I do not want to interrupt my learned friend, but I do not want to embark in the public accounts enquiry, on an investigation of the treatment of mental cases. My learned friend's resolution had to do with accounts, and I do not want to interrupt my learned friend, or be taken as so doing, but I do not want to become embarked at this inquiry on the proper treatment of mental cases. We were asked to deal with specific items, particularly accounts.

I do not know what my learned friend proposes to do with this paper, but I do suggest that this particular committee should not,—and, under my learned

friend's resolution must not become embarked on this particular field of the treatment of mental cases.

THE CHAIRMAN: I was just going to draw that to the attention of the Committee a moment ago. I do not think we are concerned with the treatment of patients. It is a question of expenditures. However, I have no objection, in the interest of the economy of time—

MR. DREW: I might explain that as far as this is concerned, I do not feel I am transgressing at all. I will not take a great deal of time on this, but I do not feel that it is a concession that I should be allowed to ask this question.

Let me give you an illustration. Supposing we were asking questions with regard to the construction of an extremely expensive stretch of highway. I think, quite obviously, it would be within the scope of this accounts' committee, and would be right for me to ask if the cement was according to certain specifications, and what the requirements were, according to those specifications.

Here a doctor has been appointed, and I am trying to lay the basis—I am not suggesting that "cement" is what we are examining into—but I am suggesting that the technical qualities are very important.

MR. STRACHAN: I do not want to get embarked on a particular field of treatment.

THE CHAIRMAN: Go ahead, Colonel Drew.

MR. DREW: I will only read a short part, because I thought I would be examining Dr. Smith himself—

MR. STRACHAN: He will be here.

MR. DREW: I quite realize that. This statement says:

"In considering, therefore, conditions in employment in the care of the mentally ill, it will be necessary to understand that these will depend upon the stage of development that has been reached in the conception of mental illness, and in the standards followed in the provisions made in different states and communities throughout the country. Policies, standards, and practices vary greatly, and measures that, in some places, have been long established, would, if proposed in others, be considered a counsel of perfection."

May I preface this by saying that this, after all, is not a speech made to a political gathering but to a gathering of experts.

It goes on to say:

"It may be taken for granted that, when political considerations determine the appointments, and the tenure of office of those employed in the public care of the mentally ill, or when the expenditure for maintenance and

treatment is sufficient for little more than bare subsistence, as in some States, measures for the establishment of an adequate service will be futile."

I think I can now get on with what I particularly want to refer to. This says:

"The key position in the hospital organization is that of medical superintendent. However appointed, it is of paramount importance that nothing should interfere with the selection of a mature, well-educated physician, whose training, experience, and professional, executive and personal qualifications are clearly those required in this important position, teaching, administration, heading staff conferences, or clinical cases, public contacts, research interests, and so forth, subject only to Civil Service regulations, and procedures, and the support of administrative authority in resisting prejudicial influences, it is necessary for the medical superintendent to have a free hand in appointments and in control of all other positions in the hospital.

The treatment of the mentally ill is directed to the whole personality of the patient, and embraces all his interests, contacts, and activities. It must be social as well as individual. It is necessary that every detail of the administration of the hospital be under medical control, and the medical superintendent must, therefore, exercise authority throughout the organization."

MR. DREW: Q. Would it be fair to say that was a generally accepted statement with regard to policy or not?

A. I believe it is, yes.

Q. Then you would agree with the general proposition made to this gathering that "the key position in the hospital organization is that of medical superintendent"—that is, in the mental hospitals' organization?

A. That is correct, yes.

Q. Now, as a general practice at the present time, can you tell me, or can you not, whether it is customary to bring in doctors from the outside as superintendents of our institutions of this kind?

A. I entered the hospital service in that way myself in 1927. I had done similar work in the Federal Department, but I came in as superintendent at Orillia, from the outside. I believe our other superintendents in the service are men who have been promoted, or came in as juniors and have gone through all the phases of the work, from juniors to seniors, and assistant superintendents to superintendent.

Q. That is the general case?

A. Yes.

Q. In your own particular case, you had experience in the Dominion Civil Service?

A. Yes, in a similar type of work.

Q. For some time?

A. Seven years.

Q. As a specialist in work of this type?

A. That is true, yes.

Q. So that we may say as a general proposition, that the appointments to a senior post of this kind is from within the service itself, men qualified in this particular work?

A. During recent years, that is true.

Q. I realize that in the past when mental illnesses were not considered as serious as they are to-day that, without getting into any discussion as to who was responsible or otherwise, that appointments were fairly loose—I am talking about the past decade or so; there has been an increasing policy of making appointments based on technical qualifications?

HON. MR. NIXON: Q. Did you say you were superintendent at Orillia?

A. I became superintendent at Orillia in 1927, yes.

Q. Whom did you follow there?

A. I followed an acting superintendent, Dr. Herman, who was in charge, and prior to him Mr. Downing.

Q. And is it not a matter of record that Mr. Downing was an exceptionally capable superintendent?

A. I cannot answer that,—to my knowledge.

Q. But, do you know how he came to the service?

A. I do not know the circumstances, no.

Q. You knew he was a former member from South Wellington?

A. Yes.

MR. DREW: I think Hon. Mr. Nixon will have the opportunity of cross-examination.

HON. MR. NIXON: You said you had no objections.

MR. DREW: This is clearly cross-examination. I recognize your knowledge of that, but



HON. MR. NIXON: I recognize what you are driving at, too.

MR. DREW: You should. You are quite right.

MR. DREW: Q. Now, Dr. McGhie, in this case, what are the perquisites of the position of superintendent in addition to the salary?

A. There are none. Any perquisites are charged against that salary?

Q. They are deductible, as a charge?

A. That is true.

Q. Do they get quarters?

A. If they do, they have to pay for them. When I was the superintendent at Orillia I paid \$900.00 for my house, heated and lighted. There is no residence for the superintendent at St. Thomas as yet, but that is the system followed throughout the Ontario hospitals' system.

Q. Dr. McGhie, at the moment, are there any special qualification requirements regarding the appointee to a psychiatric branch of the Medical service, that is, the Civil Service?

A. Yes, the physicians joining the service—they are graduates in medicine with at least one year's experience as an interne in a general or public hospital, and then before their applications will be seriously considered, they must have that background to begin with, and we endeavour to choose our physicians, our junior physicians, from the students who have shown an interest in psychiatry during their course.

Some of them come with us during the summer months and are undergraduate internes, developing an interest, and a liking for this work, and we are able to size them up, as to personality and initiative during the period and have first hand knowledge of the possibility of their success in that field.

Q. So that in the case of a medical appointee, the minimum requirement is graduation in medicine, and one year's experience in a public hospital?

A. Yes, that is true.

Q. Short of that a man would not be considered at all?

A. That is right.

Q. And on top of that, any additional experience in psychiatric or mental hospital work would go to test his qualifications?

A. Yes. These men then take a year's post-graduate course at the University of Toronto before they are appointed to the permanent staff.

Q. Now, Doctor, I do not want to embarrass you in any way, and if you

cannot answer any of these questions just say so, but I refer now to a report of a sectional session of the American Association for the Advancement of Science, dated December 30th, 1938, and in that there is a discussion of the need for psychiatric administration, and its proposed solution, and I would read merely the concluding paragraph which sums up the whole speech made by Dr. Arthur Ruggles—do you know of him?

A. I know him quite well.

Q. He is a very eminent psychiatrist?

A. Yes.

Q. Of the Butler Hospital in Providence?

A. Yes.

Q. He is rated high amongst the psychiatrists of the United States?

A. Yes.

Q. I read from the concluding paragraph of this paper, contained in the report of the sessional conference, dated December 30th, 1938:

"In conclusion, it is the opinion, and belief of the writer that the psychiatric administrator of the future should be selected because of demonstrative executive capacity, ability to handle people, to make decisions, and to delegate responsibility.

"He should have a thorough grounding in psychiatry and neurology as a basis for the understanding of human behaviour.

"He should then be exposed for a minimum of two years, as suggested, to formal instruction in administrative procedures under qualified leaders; and should have practical experience in State departments of mental health, well-organized hospitals, community clinics, and national co-ordinating organizations in the field of mental hygiene.

"It is only by some such type of training that the broad vision desirable in the future psychiatric administrator will be developed, and the need of adequate personnel for administrative posts in mental health work will be met."

MR. DREW: Q. Does that sound like a fair analysis of the requirements of a psychiatric administrator?

A. Yes, I believe so.

Q. You believe it is a fair statement?

A. Yes.

Q. You will see that he says that the psychiatric administrator should be a man of proved ability, that he should have administrative and executive capacity, proven ability to handle people, and, on top of that, he should have two years' training in psychiatry and neurology from the administrative point of view. Does that seem like a fair test?

A. Yes, it is desirable, I suppose.

Q. Now, Dr. McGhie, this hospital, I assume, will be the most improved unit of the mental hospital system of the Province of Ontario, will it not?

A. It will be the most modern, and—but, we believe they are all important, wherever people are sick, but this is the most modern equipped with the latest facilities for treatments.

Q. At least, this will be the best equipped mental hospital in the Province when completed?

A. Yes, I believe so.

Q. And how near completion is it at the moment?

A. We have taken over from the Department of Public Works, the power house, and eight other buildings for housing the patients.

Q. I am sorry, I did not get that last answer.

A. Eight other buildings for housing the patients. At the end of last week 64 patients had been admitted already on transfer from other hospitals, and they are going in at the rate of about 32 every second day now.

The actual treatment centre, the operating rooms, the dental equipment and so on, it would be late fall, I would think, from seeing the buildings the other day, before they will perhaps be handed over to us. The laundry is under construction at the present time, and the nurse's home is under construction. It will be about fall before these buildings are handed over to us, it looks like at the present time.

Q. There are certain distinctions, as I understand, in a hospital of this type, that is, you have the hospital for those who present very little prospect of curative treatment, and then, in varying degrees, you go in to the hospitals where your work is mainly with the hope of cure, is that not so?

A. That sometimes happens in spite of our efforts against it. I think it is very ill advised where you could put up the caption, "Abandon hope all ye who enter here," because it has that effect on the staff which is undesirable. I think every hospital should have an active centre, because of the necessity of keeping the staff up. If you have patients you cannot help, you cannot have the type of staff who could not help them anyway, as a result.

Q. I see your point is that from the point of view of morale of the staff,

there should be no institution which is entirely designated as a hopeless institution?

A. I think that is very undesirable.

Q. And recognizing that very desirable field, nevertheless I understand there has been some segregation of the functions of this institution, has there not?

A. That is quite true, because in certain centres, the older buildings which are not as well equipped as this one, we put the patients naturally, that we are not so hopeful of helping with this modern equipment, and that has resulted in a—

Q. In this particular case, the Ontario Hospital at St. Thomas, that is one that is directed, as I understand it, particularly toward the curative aspect of mental hygiene, is it not?

A. Yes, that is true.

Q. And the equipment that is put in there, the general construction of the building, and so on, has in mind the hope of curing or benefiting those who are treated at that hospital?

A. Yes, and often the prevention, too, through out-patient work.

Q. I find in going through these various papers which have been given, both here, and in Europe, in regard to mental treatment, that a great deal of emphasis is placed on the necessity of the highest qualifications on the part of the staff, where the curative aspect is paramount; is that correct?

A. That is true, yes.

Q. In other words, it is a perfectly simple proposition, as I would see it, apart from the medical aspect, that if you do accept the inevitable and agree that there are certain types of mental patients which cannot be cured, then it is not so vitally important that the staff be highly expert, as in the case of a hospital where the curative aspect is paramount?

A. That is true.

Q. So we come to the point, as I see it, that in the hospital in St. Thomas, the paramount aspect behind the staff should be and was a high degree of skill in treating curative cases?

A. That is desirable, yes.

Q. Correct me if I am wrong; but I understand from the public statements which have been made, that this was to be the key hospital in the Ontario Mental Hospital System in curative treatment; is that right?

A. Perhaps the most modern, but I would not like to say that. I say that we have a hospital at Whitby which is very well equipped, and I would not



like the impression to go out that we would not be capable of doing excellent work at Whitby along modern lines, because we do keep it equipped in that way.

Q. I realize that, but is it not in the very nature of things when you have a new hospital and can bring in the most modern equipment; that hospital becomes the last word in curative treatment, or preventive treatment, if you will?

A. Yes, it should be.

Q. And is it not, therefore, a corollary of that proposition, that those who are charged with the responsibility of administering that, require the highest degree of skill?

A. Yes, sir.

Q. Where are these patients coming from, Dr. McGhie, which are coming into the hospital now?

A. One group was moved from Hamilton, and the other from London. Those hospitals are the ones most seriously overcrowded at the moment.

Q. Now, just before closing my questions to you, Dr. McGhie, without making any attempt to compare the present with the past, or anything of that kind, as I understand it, there has been very considerable progress in the last few years in the study and treatment of mental illnesses as a public problem; is that not so?

A. That is true, yes.

Q. And one might perhaps fairly say that it is only within the last few years that generally there has been a sufficient amount of attention paid to the curative and preventive aspect of medical treatment as opposed to, shall I say, purely institutional care?

A. I would say that the post-war period has been one of marked progress in that field because of the great deal we learned about cases during the war period.

Q. And in these last few years, in the post-war period, when we have developed new theories with regard to mental illnesses, there has been a much more clearly defined theory of the control of mental cases than there ever was before; is that not so?

A. A better understanding of the conditions and of the application of medical science to the cure, yes.

Q. Well, Dr. McGhie, can you tell me if at this hospital there is a unit for observation of patients before the assignment of patients as either permanent, or temporary cases?

A. That is under construction at the present time in the building which I

said would be completed by Fall. In the meantime we are using another section temporarily, as the observation ward.

Q. I had in mind, of course, the enquiry which took place in London. At that time I remember there was very strong recommendation for some provision for observation?

A. Yes.

Q. And is that being carried out?

A. There is provision made for an admitting section both for males and females in the building under construction now, which we hope will be handed over to us in the Fall, yes.

Q. Is there a research laboratory in this building?

A. There is a laboratory, more of a service laboratory. Not what we would look upon as a research laboratory. It is a service laboratory.

Q. Is that not an important part of a building of this type?

A. The laboratory?

Q. Yes?

A. Yes, it is, but I think we have gone as far as we should there in laboratory service. It is not wise to duplicate. We have a Public Health Institute in the City of London close at hand, and one of their staff is one of our consultants in that section of the Province, and I think that the laboratory facilities are adequate, and we have made arrangements for research to be centred here at the psychiatric, in collaboration with the Banting Institute, and have received Rockefeller funds to carry on, for the next five years, with the provision that any work which goes along with that can be carried on in any other hospital. It is a sort of hook-up, and I think it would be a duplication to go further than that up at St. Thomas.

Q. Are the general hospitals of the Province being used at all for observation?

A. Yes, to some extent. As a matter of fact, over the last three or four years, because of the waiting lists in the mental hospitals, they are being used quite extensively for cases in hospital. But if you mean an organized unit in a hospital, yes, there is only one, and that is at Ottawa Civic Hospital.

Q. At the Ottawa Civic?

A. Yes.

Q. That may lead—

MR. STRACHAN: Mr. Chairman, again I do not want to interrupt my learned friend, but I suggest that we are getting very far afield.

MR. DREW: Well, I will not pursue that point then, because the answer is "Ottawa Civic."

MR. DREW: Q. Now, Dr. McGhie, just one point, who is the bursar of this institution?

A. Mr. McIntyre.

Q. Mr. whom?

A. Mr. McIntyre.

Q. And what staff was he previously connected with?

A. He was at Woodstock for a time.

Q. At the Woodstock Mental Hospital?

A. Yes, the Ontario Hospital at Woodstock.

Q. For how long?

A. I have not got the exact date, but it was something under a year.

Q. He was under a year at Woodstock?

A. Yes, sir.

Q. He was not appointed there also with the expectation of going to this new hospital, was he?

A. I believe that was the understanding, yes.

Q. Oh, you believe it was?

A. Yes.

Q. That he was appointed to Woodstock with the expectation then that he was going to be the bursar at St. Thomas?

A. Practically all of our stewards, when they come into the service, are given experience in other hospitals. That has been the rule, as long as I can remember.

Q. Now, is there any real value in an equipped laboratory belonging to the Provincial Mental Hospital system?

A. In this arrangement which we have, or agreement with the Banting Institute, we have over recent years worked out a programme there, and the Rockefeller representative, even went abroad to find some place where work could be taken, in connection with shock treatments, insulin, and therapy, and

came back and said that the set-up here was better than anywhere else he has visited, and he offered to assist us.

We have a joint staff there. It is done through the University of Toronto, and the work is done—part of it in the psychiatric hospital, which is just behind the Banting Institute, and I think we have an excellent laboratory set-up there in connection with Sir Frederick.

HON. MR. CONANT: Q. And more economical than establishing a further unit?

A. As I said before, I do not think we should try to duplicate that until we know more about the research we are undertaking there.

MR. DREW: Q. I am not suggesting it in any critical sense at all, but is it not so that they rely a great deal on the research work of the American Institutes which are close by, and very similar to our own?

A. Yes, that is true, and on money which comes from there to carry out our own work, like the Rockefeller money we get.

Q. And our own research work is assisted from there?

A. Yes, quite.

Q. And quite properly. I am not suggesting any impropriety, but they do rely very considerably on the experience of men in the United States, that is, of men who have been dealing with large hospitals.

A. That is true. We have the advantage of whatever they have learned, which is helpful to us.

Q. It all comes back to this, that the two doctors I referred to, Dr. Ruggles, and—who was the other?

A. Dr. Russell.

Q. Yes, Dr. Ruggles and Dr. Russell are men of high qualifications, in that system, and men whom we regard with a great deal of respect in relation to theory and treatment?

A. Yes.

THE CHAIRMAN: If there is any other member of the Opposition wishes to question with this witness, I think this is the proper time. I understand Mr. Strachan and Mr. Elliott have some questions.

MR. STRACHAN: Yes, Mr. Chairman, I have one or two questions.

THE CHAIRMAN: Will you proceed?

MR. STRACHAN: Q. Dr. McGhie, how many are there in your department devoted entirely to the mental or psychiatric branch?



A. Well, the entire pay-roll, you mean?

Q. I mean the doctors, just in the department? I am not referring to the hospital, but in your own department?

A. There are three, and one of these men has the inspection of private sanatoria, too.

Q. And I presume they do their best to keep themselves up to date in the latest developments into the treatments of mental diseases; is that not one of their duties?

A. We would not want them there if they would not.

Q. I suggest that the latest developments in the treatments of mental diseases probably originated from your own department, that is, the three who are there, that is where the guide comes from?

A. Yes, that is true.

Q. That is true?

A. Yes.

Q. And would it be fair to say that it is a matter of opinion whether the heads of the mental institutions should be a psychiatrist or an administrator?

A. It is a matter of opinion?

Q. Yes?

A. I presume so.

Q. I have in mind the Toronto General Hospital, where Mr. Decker is the superintendent; he is not a medical man. He is an administrator.

A. I do not think the situation is entirely the same.

Q. Not the same, but I am leaving it that way, and that is a matter apparently of opinion, and the lead in the treatments of these cases comes from you, the Deputy Minister, and the men under you in the Department?

A. That is true.

Q. They lay down the policy?

A. Yes, sir.

Q. Now, to go back to the beginning of my learned friend's questions. These hospitals are built by the Department of Public Works?

A. That is true, yes.

Q. And then when they are completed, they are turned over to your department as a unit?

A. That is true, yes.

Q. And the Deputy Minister of Public Works, of course, is not an expert in mental equipment, that is, X-rays and things like that; he must take his advice—and I suggest he does—from you, and your department?

A. Yes. They have very competent architects who have made a study of years of this type of equipment, in that department.

Q. But in regard to the equipment, they take your advice?

A. Yes, that is true.

Q. I think you pride yourself that generally speaking the hospitals are up to date, and pretty well equipped?

A. Yes, that is true.

Q. And this hospital will be no exception to the general rule; is that fair?

A. No, we think these should have all the modern equipment for the treatment of this type of case.

Q. And you have the fullest co-operation from the Deputy Minister of Public Works in this particular institution?

A. We always have had.

Q. You always have had?

A. Yes.

MR. ELLIOTT: Q. Has there been any change in the superintendents of the mental hospitals in Ontario in recent years?

A. Yes; there have been changes both through death and through—

Q. Superannuation?

A. Yes, superannuation.

Q. But other than that, have there been any changes?

A. There have been transfers from one hospital to another. Is that what you refer to?

Q. No, I was referring to the suggestion from Colonel Drew, that under the political evils which exist, the superintendents are frequently changed at the elections.

MR. DREW: That was not my statement. That was a minister's statement of the position in the United States.

THE WITNESS: I think we are in a more fortunate position here than in the United States. No, there have not been.

Q. Then political evils do not exist here?

A. To the extent they do in the United States, no.

MR. DREW: Q. I did not quite get your answer. What was it?

A. To the extent they do in the United States, no.

MR. ELLIOTT: Q. Dr. McGhie, you have had the opportunity of learning the qualifications and ability of Dr. Smith, in your association with him in the past year?

A. I have known Dr. Smith for some years, yes.

Q. Do you think that he has the required executive ability to attend to the administrative duties at St. Thomas?

A. Time will tell that. I believe Dr. Smith is a very good physician, with a good knowledge of the human nature, and knows his limitations, and is willing to seek the necessary advice. Time will answer your other question.

MR. DREW: Q. That is certainly damning with faint praise?

A. No, I don't think so. I think Dr. Smith has many of the qualifications you referred to there.

MR. ELLIOTT: Q. You mentioned he had some experience in mental and nervous disorders in New York?

A. Yes.

Q. Do you know whether that was at a hospital or in a post-graduate course?

A. I think it was in Bellevue Hospital, in post-graduate work, where they have a large psychiatric section.

Q. You say you also know that for some time he has manifested an interest in mental cases?

A. That is true.

Q. And it is essential that a doctor have natural inclinations for this work, to make him satisfactory?

A. Yes.

HON. MR. CONANT: Q. How much of a staff will you have at St. Thomas? I mean to say, the total number of employees. That comprises doctors, guards, cooks, maids, attendants of all kinds?

A. There would probably be one to each four patients in the hospital, eventually.

Q. What does that figure out? What is the capacity there?

A. Well——

Q. When you are full?

A. The capacity we will have by Fall, of course, would be somewhere around 1800 patients.

Q. So you will have from 400 to 500 people on the staff?

A. Yes, sir.

Q. And most of them will be non-technical people?

A. Most of them—if you call the nurses “non-technical.” They, of course, are professional people. There will be a large group of nurses.

Q. And how would it break down, Dr. McGhie, roughly? You would have so many doctors, so many nurses, so many guards, and attendants?

A. Yes.

Q. And cooks and maids?

A. That is true.

Q. And gardeners, and all the rest of it?

A. That is true, yes, with a technical head of each one of these sections, who has considerable experience—

Q. Can you give it to us in terms of percentages?

A. Well, physicians—there should be one to about 150 patients—one physician. And the nurses—

Q. Ten or twelve physicians?

A. Yes, sir. And the nursing and attendants' group will be our largest group. That will be somewhere around 250 perhaps.

Q. And then the other technical—the engineering staff required for the power house, and the garden and farm staff—



Q. Those are not psychiatrists or medical men?

A. No, they are trained in their own particular field.

Q. So the whole organization resolves itself into a very large business organization, does it not?

MR. DREW: A five million dollar business organization, at the moment.

THE WITNESS: Yes, in a large hospital of that type—

HON. MR. CONANT: Q. In Whitby you even have farming under the superintendent?

A. Yes, with a farm director with experience.

Q. And I suggest to you from what you have said, that it is quite apparent that the administrative ability of the superintendent is of paramount importance is it not, Dr. McGhie?

A. Yes, there should be a good administrator at the head.

Q. That is a matter of first importance?

A. No, I cannot say that, because the actual medical care of the patient is of first importance, in my opinion.

Q. And you have plenty of doctors besides the superintendent?

A. Yes.

Q. And the superintendent is engaged ordinarily with all the manifold details of administration?

A. That is true, and the integration of patients into all these activities is a very important part of the administration?

Q. And he has to give attention to and is responsible for all the details of his administration?

A. That is true.

Q. The supplies, and the conduct of the staff?

A. Yes, sir.

Q. Technical and non-technical?

A. Yes.

Q. Their leaves of absence, and all the rest of it?

A. Yes.

MR. GLASS: Q. Do you co-operate in any way with the University of Toronto, medical section, with regard to obtaining the specialists in mental diseases?

A. There is a post-graduate course in psychiatry in the University of Toronto, and all our new physicians coming into the service take that course.

Q. They are all graduates from that course?

A. Yes.

Q. And I assume your administrative officers in your own department supervise these superintendents to see that their duties are carried out efficiently?

A. That is true.

MR. WELSH: Q. Dr. McGhie, in spite of what the Attorney-General said, you admit that the first purpose of a mental hospital is the welfare of the patients; that is why they are able to cure these patients if possible?

A. I take it none of us would be in this world if there were no mentally sick people.

Q. In the past, according to your recollection, if you can tell us, you take for example, the various superintendents now; they have been appointed from within the service?

A. That is—

Q. I mean, Dr. Stevenson, and the rest of them?

A. In mentioning myself, I mentioned the exception.

Q. As far as you know they have been taken from the service, because of their experience, seniority, and so on?

A. That is true.

Q. Then, in this appointment of Dr. Smith, do you not think you are establishing a sort of a precedent?

A. No, because when I first came into the service, there was superintendent then, since superannuated, where the precedent had been established.

Q. But you had had experience?

A. I beg your pardon?

Q. You had had experience?

A. I am talking of my own case.

Q. You are just really at the present time in appointing Dr. Smith—you are really just gambling on the hope of his geniality, and that he will be a success?

A. You asked me if it is a precedent, and I said "No.

MR. FROST: Q. It is a precedent within recent years, is it not? Talking about precedents, if you want to go back 15 years all right, but we are talking about the last 10 or 15 years.

MR. DREW: You will have to unscramble that question.

THE WITNESS: I will have to get a definition of "precedent" before I can answer that question.

THE CHAIRMAN: Mr. Frost, have you any further questions?

MR. FROST: Yes, Mr. Chairman, I have one or two.

THE CHAIRMAN: Will you proceed?

MR. FROST: Q. Dr. Fletcher has been the superintendent of Whitby for how long?

A. About five years.

Q. And he has been in the service for several years?

A. That is true, ever since he returned from overseas.

Q. And Dr. Stevenson, I think, similarly has been in the service for—since about 1920 or thereabouts?

A. That is true; 1918, I think.

Q. And Dr. Horne, at Orillia, similarly?

A. Yes, he came into the service about the same time as I did.

Q. Did he come from the Dominion service?

A. Yes.

Q. And the point I think is which Dr. Welsh is bringing up that from 1937 or thereabouts the custom has been to promote your doctors within the service to these important positions, is that it?

A. That is true.

Q. And, therefore, with regard to what your policy and custom has been

in the last ten years, this appointment of Dr. Smith is outside of the precedent you have set within the last ten years at least?

A. It is a departure, yes.

Q. A departure?

A. Yes.

HON. MR. CONANT: It establishes a good precedent when the Minister of Health is not a doctor.

MR. FROST: He does not have to be a psychiatrist.

MR. ELLIOTT: Q. Am I right in saying that a doctor might be in the service and have 20 years experience but would never be satisfactory as a superintendent?

A. That is true.

Q. And it may be necessary to go outside the field of your institutions to find a suitable superintendent in some cases?

A. (No audible answer.)

THE CHAIRMAN: I think Colonel Drew has one further question.

MR. DREW: Q. I want to follow up the question asked by Mr. Strachan. He said it was a matter of opinion whether a man should be a psychiatrist or an administrator. There may be a question of opinion there, but would you say there is any doubt that he must be at least one of two, either a psychiatrist or an administrator?

A. In my opinion he should be a psychiatrist, if it is my opinion you are asking for.

Q. In your opinion, he should be a psychiatrist?

A. Yes.

THE CHAIRMAN: Any further questions?

HON. MR. NIXON: Q. As a matter of fact, Dr. McGhie, in connection with the evil of patronage suggested here, has there been a medical superintendent dismissed, in your time?

A. No, there has not.

Q. There has been no dismissal out of the position of a medical superintendent?

A. No.



MR. DREW: Only temporary.

HON. MR. NIXON: That was a suspension, while an enquiry was on in London, and he was reinstated.

HON. MR. NIXON: Q. This type of patient you are moving into St. Thomas now, you say you are taking them from Hamilton and London?

A. That is true.

Q. Are you hand picking them carefully, taking only these from whom you hope will respond favourably to treatment?

A. Well, not just at the moment we cannot, because this special unit for treatment is not yet completed. In the Fall we will have this type of patient there. We will have the type that will be admitted. In the meantime we are choosing them according to the accommodation we have.

Q. You expect, as a policy of the department, to carry on each one of these institutions as a hospital?

A. Yes.

Q. Not as an asylum?

A. That is true.

Q. With the same hope of recovery and satisfactory treatment in those, as in St. Thomas?

A. That is true. That is why the new development in this field was studied, first, because it was close at hand, at the psychiatric, so that it could be applied in every one of these hospitals.

MR. WELSH: Dr. McGhie, have you in this new hospital, or have you purchased, a fever cabinet, and so on, for the treatment of paresis, as used in the United States?

A. No; any type of equipment like that will be in this other section which is to be completed by the Fall. The equipment has not been chosen for that, yet.

HON. MR. NIXON: Q. The superintendent at Fort William is Dr. Senn?

A. Yes, that is right.

Q. How long was he in the Department?

A. He was in the Department when I came in, in 1927. He was an assistant at Whitby, and then was at the head office, before he went to Fort William. I would say he has been 12 or 13 years in the service anyway.

Q. And is there any other case where a superintendent has been appointed with less than two years experience in the department?

A. The superintendents that are still with us—that is true.

Q. You have no personal knowledge of Mr. Downing at Orillia?

A. No.

Q. Was he a doctor at all?

A. No, he was not a physician.

Q. Would you say it was a fair statement, that he was regarded as an exceptionally able superintendent?

A. That is a matter of opinion again.

Q. That was my opinion. I was minister in charge of the works for four years, some years ago.

A. I think from the administrative side, the business side, you are quite right. The actual technical side is another matter.

MR. KIDD: May I ask one question following up what Mr. Nixon has said?

THE CHAIRMAN: Certainly.

MR. KIDD: Q. My experience with mental hospitals goes back to 1926, that is 13 years. The doctor knows I was associated at Kingston. The doctor there was superannuated. Dr. Williams was superannuated, over at Hamilton. There has been two or three deaths. Now, at the present time, at Brockville, there is a Dr. Tennant, at Kingston, Dr. Clark, at Cobourg, Dr. Kidd, at Hamilton, Dr. Stewart, at New Toronto, Dr. Cumberland, at London, Dr. Stevenson, at Fort William, Dr. Senn, at the Toronto Psychiatric, Dr. Ferrier, at Whitby, Dr. Fletcher, at Woodstock, Dr. Lynch, and at Orillia, Dr. Horne—

HON. MR. CONANT: Is this a speech, Mr. Kidd?

MR. KIDD: No, there has not been any person brought in from the outside service. These have all been promotions within the service.

THE WITNESS: In the capacity of superintendent?

MR. KIDD: Yes.

THE WITNESS: That is right, yes, sir.

MR. KIDD: Q. So I think you are safe in saying that since 1923 there has not been a superintendent brought in from outside the service to fill the appointments—that is 17 years.

A. That may be true.

HON. MR. CAMPBELL: Q. Dr. McGhie himself was.

MR. FROST: He is an outstanding psychiatrist anyway.

THE CHAIRMAN: Are there any other questions? I presume that if anybody wishes to call Dr. McGhie later, he will be available.

THE WITNESS: Yes, Mr. Chairman. Thank you.

The witness retired.

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MR. STRACHAN: Mr. McAllister is here under subpoena, and we can get what the Committee called for now.

THE CHAIRMAN: All right, Mr. McAllister.

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RAPHAEL A. MCALLISTER, a witness being called and duly sworn, testified as follows:

MR. DREW: Q. You are the Deputy Minister of Public Works?

A. Yes, sir.

Q. And as such, it is one of your duties to have charge of the expenditures on the Ontario Hospital at St. Thomas?

A. Yes, sir.

Q. Now, partly constructed, and also partially under construction?

A. Yes, sir.

Q. Before getting down to the exact details of the accounts in this matter, we received in the last two days the reply to a question regarding certain expenditures in this hospital, and the answer given to the question:

"What has been the total amount expended on the Ontario Hospital at St. Thomas,"

was "\$4,178,558.02."

A. Yes, sir.

Q. I presume you were consulted in giving these figures, were you?

A. I prepared the question with the assistance of the staff.

Q. You mean you prepared the answer?

A. Yes, pardon me; the answers, yes.

Q. I am merely tying it in to your department?

A. Yes, sir.

Q. Then, in reply to the question "What is the total amount of tenders awarded," the answer was "\$5,477,850.33"?

A. Yes, sir.

Q. That is correct, is it?

A. I presume so, yes.

Q. Well, those figures you know to be figures coming from your department?

A. Yes, sir.

Q. And that means, as I understand it, that the tenders actually awarded at the moment or up to the present time, for work on the Ontario Hospital in St. Thomas, amount to \$5,477,850.33?

A. Yes, sir.

Q. Now, this construction is proceeding on the basis of a plan of buildings which call for considerable future construction?

A. Yes, that is right.

Q. Is it possible for you to put such a plan in as an exhibit—or furnish a plan?

A. A plan of the total institution as it will be?

Q. Yes, the total institution as contemplated?

A. I can put that in.

THE CHAIRMAN: Q. Mr. McAllister, please describe what the plan is so that the clerk can mark it as an exhibit.

A. The ultimate plan will be for 26 buildings. There are two dormitories to be constructed which will be used for the excitable class of patient, and there will be 12 pavilions as they are called,—patient pavilions, of which 6 are presently constructed.

EXHIBIT NO. 1: Plan of proposed St. Thomas Hospital as produced and identified by witness McAllister.

MR. DREW: I am not interrupting you, Mr. McAllister, but I want that clearly on the record. You say there are to be 12 patient's pavilions?

A. Yes.



Q. And six of them are now completed?

A. Yes.

Q. And are these of uniform size?

A. Yes.

Q. So far as the patient pavilions are concerned, the construction is just one-half completed?

A. That is right. There is a kitchen and dining-room, and a male and female infirmary which is complete, and used for those who cannot go to the dining-room, or are in bed.

There is a medical centre consisting of five buildings and there are two wings which will be used for hospital purposes, which are not included in this medical centre, which is under construction at the present time. That will be for the future.

There is a garage, stores, and laundry, of which the laundry is being built at the present time, and the power house, and the nurses' home, and certain residences for the staff.

The nurses' home—the contract has been let. It was designed in such a way that when the institution was enlarged, the nurses' home could also be enlarged.

No residences have been contracted for as yet, although it is the intention to build two of them in the near future.

MR. DREW: Q. You mean nurses' residences?

A. No, residences for the staff. I think that covers all the buildings.

Q. Then, having regard to the whole plan as it now stands, you have explained that the units for the patients themselves are one-half completed—that is 6 out of 12?

A. Yes.

Q. In relation to the other buildings, contemplated in this complete plan, could you say approximately—perhaps you cannot remember with some exactness—but can you say approximately how far construction has proceeded—I mean on a proportionate basis—is it one half?

A. The six pavilions are completed.

Q. That is, the patients' pavilions?

A. Yes, the two infirmaries are practically complete. We are equipping one of them, and the other is about completed.

The dining-hall and kitchen are in operation.

The medical centre, for which the contract has been let, construction has been going on for some time, and I would say it is probably one-half completed.

The nursing home is just started. They are taking the excavation out.

The laundry building is about 75% completed, and the power house is 100% completed, and in operation.

Q. Could you designate the buildings on that plan for which tenders have not been let?

A. We have called for no tenders for the remaining six pavilions nor for the two disturbed patients' pavilions, nor for the occupational buildings for males and females, and the stores.

As I say, the hospital section of the medical centre which we are at the present time building—the two wings in there.

Q. Well, tenders have been let for that?

A. No, we are building five of the buildings, and there are seven in the group altogether. We are not building the two wings at the present time.

Q. I thought you said you were building the medical centre?

A. No. There is a medical centre consisting of seven buildings, and we are only building five of them. The male and female hospital section we are not building at the present time.

MR. GLASS: Q. That is the medical centre?

A. Yes.

Q. Can you give me at the moment the cost of one of these patients' pavilions?

A. Well, the general contract—yes, I could give you that. The general contract for six of them was \$1,040,000.00.

Q. That is the contract?

A. Yes.

Q. Any extras?

A. I think there was a deduction in that contract. I would have to add this up to get the total.

THE CHAIRMAN: You might have the clerk mark the plan as an Exhibit.

THE WITNESS: The total expenditure on the six pavilions to date is \$1,605,349.00

MR. DREW: Q. That is, the total cost of the six patients' pavilions is \$1,605,000.00 and—

A. \$349.00.

Q. Is that for the buildings themselves?

A. Well, that is for equipment within the buildings, too. That does not include equipment. It covers the passages connecting the buildings up.

Q. That is simply for the bare buildings?

A. Yes, sir.

Q. Then, if you cannot give the exact amount, give it as closely as you reasonably can; what would be the cost for fully equipping each one of those pavilions, or if you prefer to group them for the six, that would be satisfactory?

A. I do not believe we have the equipment segregated for the different buildings.

MR. ELLIOTT: Q. That is beyond this whole inquiry, Mr. Chairman.

THE WITNESS: About \$130,000.00 for the six.

MR. ELLIOTT: I might point out that Mr. McAllister can produce all these figures, but he was dealing with the material and information asked for in the motion.

THE CHAIRMAN: That is up to the 31st of March, 1938. Perhaps you had better limit it to that, Colonel Drew. That is the resolution, up to the 31st of March, 1938, I presume that is what the witness is prepared to testify to.

MR. DREW: No, it is quite clear. It says, "To give evidence of all subsequent tenders for the Ontario hospital at St. Thomas and produce for the Committee all the correspondence," and so forth.

THE CHAIRMAN: That deals with the agreement and plan, rather than each individual item.

MR. DREW: This is the first paragraph, dealing specifically with an item of \$1,700,000.00 odd.

Then the second paragraph I cannot refer to as specific items. The second paragraph refers to all tenders up to date.

MR. ELLIOTT: I think you will find it up to March 31st, 1938. Mr. McAllister has no objection to furnishing the data, but he did not come here to-day prepared.

MR. DREW: The resolution quite clearly spoke of all tenders, which cover the details.

THE CHAIRMAN: If the witness can give it now, all right; if not, he probably can give it later.

MR. DREW: All the witness has to do is to say that he is not prepared.

HON. MR. CAMPBELL: We have the clerk and assistant architect here, and we are trying to supply the information as quickly as possible.

MR. DREW: I have not tried to raise any questions.

MR. DREW: Q. So that as far as these six patients pavilions' are concerned, the total cost, subject to any verification, is \$1,605,349.00 for the buildings, and \$130,000.00 for the equipment, which would make a total of \$1,935,000.00 odd for those six buildings?

A. Yes, sir.

Q. Was there any additional cost to this, that you can think of?

A. No.

MR. CAMPBELL: They are not good unless you have the entire unit. You have to have the power services, electricity, heating, and all that goes into it.

MR. DREW: Then we are just putting the wheel on the car now; we are not driving it away yet.

HON. MR. CAMPBELL: You want to tie him down—

MR. DREW: No, I will not attempt to do that.

MR. DREW: Q. As far as the completion of the patients' pavilions are concerned, assuming that the costs are on the same basis as they have been in the past, the cost of building the remaining six pavilions you might assume would be in the neighbourhood of one and three-quarter millions of dollars?

A. Yes.

Q. No tenders have been let for that yet?

A. No, and we do not intend calling for them.

Q. Now, in addition to this, have you any estimate, approximate or exact, with regard to the cost of completing the plans which are yet to be completed, that is, the other patients' pavilions, I have referred to, for which we have a comparative figure?

A. Yes, I have an estimated cost of the complete buildings which I have



stated were under contract. That is, the total completion of the present plans which will provide accommodation for 1,812 patients will cost \$6,369,000 00.

Q. That is in addition to what has now been spent?

A. Oh, no.

HON. MR. CONANT: No, that is the complete cost.

THE WITNESS: That will be the complete ultimate cost.

MR. DREW: Q. Six million and how much?

A. \$6,369,000.00.

Q. Let us work this out. In answer to the question let me get this clearly; no tenders have been let for the six additional patients' pavilions?

A. No.

Q. Nor for the contents?

A. No.

Q. Then, in answer to question No. 4, "What is the total amount of tenders awarded," the answer is "\$5,477,850.33?"

A. Yes, sir.

Q. Now, the only part of the buildings remaining to be completed, which are not covered by tender, are the six patients' pavilions—

HON. MR. CAMPBELL: No, no,—

THE WITNESS: No, that is a different unit altogether

The six patients' pavilions to be built are only the second part of the programme for the whole institution. Six of them have been built—

MR. DREW: Q. Quite, but six are still to be built?

A. We do not contemplate building six more at the present time.

MR. STRACHAN: You asked him the total cost to complete these present plans.

THE WITNESS: I gave him the cost, of the completion of the present plans, which include all contracts which have been let, and all buildings which it is contemplated to build under this first scheme, for the accommodation of 1812 patients.

MR. DREW: I asked you in the first place if you had a plan of the building

that you proposed to construct at St. Thomas in connection with this mental hospital, and that (indicating) is the plan you have produced?

A. Yes.

Q. That is what I was referring to?

HON. MR. CAMPBELL: I think you misunderstand one another. I think you are asking what we are spending for the 1,800 patients, because no decision has been reached regarding the extra six, nor the building for the disturbed patients.

MR. DREW: Q. Have you a plan of the buildings you propose to construct?

HON. MR. CAMPBELL: Certainly we have this, and the ultimate unit. Now, qualify your question, and get it right.

MR. DREW: It is perfectly clear.

HON. MR. CAMPBELL: I think Mr. McAllister understands you to mean what we are really doing for the 1,800 patients, and what you are thinking is in regard to the ultimate entire unit.

MR. DREW: What will the ultimate entire unit—

HON. MR. CAMPBELL: Yes.

THE WITNESS: We propose to build them all.

HON. MR. CAMPBELL: There is no decision as to when they will be built.

MR. DREW: I am talking about the whole completed plan; not that plan as presented there (indicating Exhibit No. 1) which is a plan of working to a definite objective. You plan to build six additional patients' pavilions?

A. In the future, yes.

HON. MR. CAMPBELL: And a building for the disturbed patients as well.

THE WITNESS: That would not complete the institution. There are other buildings beside the six patients' pavilions.

MR. DREW: I quite agree with that. Let us get back to the beginning. What is this plan (indicating)?

A. This is an ultimate plan for St. Thomas, to accommodate 3,852 patients.

HON. MR. CONANT: How many did you say?

A. 3,852.

Q. That is the ultimate—the final?

A. Yes.

MR. DREW: Q. What is the estimated cost of the complete ultimate plan?

A. \$11,000,000.00.

Q. What?

A. \$11,000,000.00.

Q. \$11,000,000.00?

A. Yes.

Q. And that includes everything, does it?

A. Yes.

Q. Equipment and all?

A. Yes, sir.

Q. Now, have you here the original estimates upon which this whole matter proceeded—the original estimates of the cost?

A. I do not know as I have it here. We did prepare an estimate to cover the whole institution at one time. I do not believe I have that with me here. It was around that figure.

Q. Around what? \$11,000,000?—

A. Around that.

Q. Well, I am rather interested in it. I am not saying this critically, but it will be the first time in recorded history that an original estimate has ever been found to be the actual basis of costs.

HON. MR. CONANT: These buildings were built from the original estimates.

HON. MR. CAMPBELL: The contracts were let—

HON. MR. CONANT: The Parliament Buildings were built for less than their original estimates.

MR. DREW: I was not here when these buildings were built.

THE CHAIRMAN: Can this witness produce the original estimates?

THE CHAIRMAN: Q. Have you it anywhere in your office? (No audible answer.)

MR. STRACHAN: Mr. Chairman, perhaps to save time, Mr. McAllister will produce that later; we have not got it here now.

MR. DREW: Yes, that is all right.

MR. DREW: Q. Mr. McAllister, has your department worked out an estimate of the cost per bed in this institution?

A. Yes, we have.

Q. And to what figure does it work out?

A. The ultimate cost per patient's bed—we are only figuring the cost per bed for the patients' accommodation, which does not include the nurses' home, nor the beds provided for the nurses—that comes to \$2,850 per bed.

MR. FROST: Q. For how many patients?

A. 3,850.

Q. That is your ultimate?

A. Yes.

HON. MR. CONANT: Q. How many?

A. 3,850.

Q. How much?

A. \$2,857 per patient's bed.

MR. DREW: Q. Is that simply a figure, figuring out the cost per patient's bed, looking at the patients' pavilions as a separate unit?

A. No, taking the whole institution. The total cost of the whole institution, including the cost of the nurses' home.

Q. So that you include in that all overhead?

A. Yes, sir.

HON. MR. NIXON: Q. Rooms and everything?

A. Yes, everything.

MR. DREW: Q. Is that not a very much lower estimate than the estimates for modern psychiatric hospitals elsewhere?

A. Yes, I believe it is. Not very much, though. I think they range from \$3,000 to \$3,500 per bed in the United States.

Q. We will not argue about it, but my impression was that in the United States they estimated somewhere around \$3,500 to \$4,000 per bed?



A. Yes.

HON. MR. NIXON: Q. What was the actual cost at Whitby?

A. It was more per bed than it will be at St. Thomas.

HON. MR. CONANT: Q. Have you set up a comparative cost with other institutions?

A. With regard to the cost per bed?

Q. Comparatively with these figures you have just given us?

A. We did with regard to Whitby. Whitby was the only recent construction with which we could compare St. Thomas.

Q. How does that compare?—

A. The cost per bed at Whitby was higher than the ultimate cost will be at St. Thomas. It is not a fair comparison to compare St. Thomas with Whitby, because the construction at Whitby is much cheaper.

Q. It is a different construction?

A. We have small cottages at Whitby, and the cost of construction of the cottages at Whitby is not to be compared with the buildings at St. Thomas.

Q. What is the figure at Whitby, Mr. McAllister—for what is it worth?

A. \$2,890 per bed.

Q. \$2,890?

A. Yes.

MR. DREW: Q. Why is it that a bed costs more at Whitby than at St. Thomas, if the construction is more expensive at St. Thomas?

A. It depends on the population. The higher the population the lower the bed cost. The normal population of Whitby is 1,500 beds.

MR. FROST: Q. Whitby was built in War times, was it not?

A. It took about five years. It was interrupted during the War, and was used by the D.S.C.R. I think it was from 1912 to 1917.

THE CHAIRMAN: Let us get along.

MR. DREW: Q. Just to finish up that question of cost per bed; what will it cost per bed when you are adding the wings, or anything of that kind, excluding overhead?

A. The cost we worked out for the future six pavilions, which is all that will have to be added, and which will increase the population to the 3,850 mark, and which adds 2,000 more patients in that institution—the cost of putting those in would be very small in comparison with the whole cost, including services.

MR. ELLIOTT: Q. What do you mean by “services”?

A. The power house and laundry, the stores, and anything like that which are needed for any population.

MR. DREW: That being the case, then it is very much cheaper to increase the size of the existing institution than to multiply the number of units; is that right?

HON. MR. CAMPBELL: That is not necessarily correct.

MR. DREW: Mr. McAllister is giving the evidence.

THE WITNESS: What is the question?

MR. STRACHAN: Let the reporter read the question.

MR. DREW: I would not mind questioning you under oath, Mr. Campbell, but I am prepared to take the answers from Mr. McAllister.

HON. MR. CAMPBELL: You do not trust me, eh?

MR. DREW: No, it is not that, but after all, that is a formality here.

MR. DREW: Q. Supposing you have an existing institution; it is cheaper obviously from the answers you have given, to add bed accommodation to an existing institution than to build a whole new institution?

A. It might be cheaper, but I do not think it would be wise, with the condition our present institutions are in.

Q. Why?

A. They are very old, and not fireproof. You would have to enlarge your services and everything to take care of the increased population.

Q. Sewers, and things of that kind?

A. Yes.

HON. MR. NIXON: Q. Sewers and water?

A. Yes.

MR. STRACHAN: Q. What do you mean by “services”?

A. Boiler house, sewage, water facilities, laundry, kitchen and dining-room, nurses' home, and things like that. They are all common to an institution, regardless of the population of it.

MR. DREW: Q. Now, Mr. McAllister, perhaps following the ordinary custom in an examination like this, it might have been better at the start, so that I would know whether it would be necessary to call any other witness. Are you an engineer?

A. Yes.

Q. I don't know myself; when were you appointed here?

A. In 1937.

Q. Where were you, prior to that?

A. I was with the government. I was district engineer for the Northern Development at Sault Ste. Marie, and transferred here.

Q. You were the district engineer of the Northern Development?

A. Yes, at Sault Ste. Marie.

Q. For how long?

A. From the 1st of September, 1934, until I was transferred here, which was the 1st of February, 1937.

Q. And what has been your work before September 1st, 1934?

A. I was in the contracting business at Windsor for seventeen years prior to that time.

MR. FROST: Q. What company? Was it your own concern in Windsor?

A. I had my own firm there; the Detroit River Construction Company.

MR. STRACHAN: Q. And prior to that?

A. Prior to that I was construction engineer for the John E. Densmore Company in Windsor, in the construction of schools and manufacturing plants; and also with the W. E. Wood Company, of Detroit, in the same capacity.

MR. DREW: Q. Were you the Deputy Minister at the time the decision was made with regard to this hospital—to proceed with it?

A. Yes—well, now, I am not sure about that. When I was transferred here from Sault Ste. Marie, I was the Assistant Deputy Minister.

Q. What date was that?

A. I was appointed Deputy Minister on the 12th of July, 1937, I think.

Q. But you were here before that?

A. My appointment as Assistant Deputy Minister was on February 1st, 1937; as Deputy Minister, July 22nd, 1937.

Q. Well, as assistant deputy, were you present when the discussions took place that led to the decision to construct this hospital?

A. Yes.

Q. And could you tell us in your own words and in a purely narrative form what the procedure was by which the decision was arrived at that this hospital would be built at St. Thomas and generally what the actuating factors were?

A. The main consideration to locating in the vicinity of St. Thomas was the fact that London was a very old institution. It was not considered that London could ever be reconstructed at any reasonable cost in order to get a compensating life out of the place. I believe for several years prior to my advent into the Department, that the architects always considered that some day a new institution would be built in the vicinity between London and Lake Erie to replace London eventually, and it was a matter of ten years ago, I think, the architects looked over sites down around Lake Erie for the location of a possible hospital. When the decision was made to build the hospital within that vicinity, we examined all sites in the vicinity, as I say, between London and Lake Erie, and it was desirable to have this hospital located about midway between Windsor and Hamilton to take care of that large area of Southwestern Ontario.

Q. What I am getting at just for the moment: Just exactly how did you go about deciding on the type of the building and all the various details of that kind? You already had a number of institutions. Were you advised by experts in regard to this, and who were they?

A. The architect and the assistant architect of the Department of Public Works—Mr. Williams is assistant architect for the Department of Public Works now—he used to be in charge of the architectural department of the Department of Health, and has been in the service of the Government in that capacity I believe for around twenty-four years. After the advent of this administration, the architectural department of the Department of Health was joined up with the Department of Public Works, and the location of a hospital and the layout of the institution as well, and the layout of the individual buildings has all been carried out under the supervision of Mr. Williams. He has given quite a lot of study to the whole question.

Q. Have you any recommendations which preceded the decision to go ahead with this type of structure?

A. The type—

Q. Well, I might explain that. For instance, the Whitby structure is a very much less expensive type—



A. Well, it is not less expensive. It is more expensive, Whitby is. I am not talking about the ultimate planning of St. Thomas. We have to consider the ultimate population of St. Thomas in order to get a fair basis.

Q. What did the Whitby institution cost?

A. Around Four million, four hundred thousand dollars.

Q. And it accommodates at the present time how much?

A. I do not know how many they have in it, but the normal population, which is what we are figuring on in St. Thomas, was fifteen hundred.

Q. Is that not less expensive?

A. No—it is if you figure it out on a bed basis.

HON. MR. NIXON: The calculations are all on a bed basis?

A. On a bed basis, yes.

MR. DREW: Q. In this particular case will you explain what method is followed in choosing the things that go into an institution of this kind; that is, the specialized equipment that goes into an institution of this kind. Just what is the procedure from the beginning to the time it is put in?

A. Of course, the type of institution determines the type of equipment you put into it, and any decision in regard to that would be through consultation between the Department of Health and our own architects. We have got to know before the plans of the buildings are finally completed what equipment is to go in there because we have to provide for it in the plans. We have to provide openings and pipings and certain things in that plan in order to do that.

Q. What I am getting at is this: I think it is perfectly simple; it is a highly specialized type of institution; there may be a certain type of equipment that would be recommended by one expert, and another type that would be recommended by another. Actually what procedure do you follow to determine what type of equipment you will use?

A. Well, as I say, in consultation with the members of the Health Department we determine what is required for their purposes in that institution, and plans and specifications are made so as to conform to their request.

Q. And you accept their recommendation then in regard to the things that go into it?

A. Yes.

MR. FROST: In connection with the London institution have you done any construction work there in recent years?

A. What do you mean by recent years?

Q. Well, I mean in the last four or five years in the London institution?

A. There has not been any major work done in London since I have been here. I do not know what happened before that.

Q. In the London institution I understand that there was some foundation work done there with the idea of extending that institution?

A. The previous administration had put a foundation down for a reception building in London.

Q. Was anything done further on that?

A. No.

Q. The foundation is still there?

A. It is still there.

Q. Where is the institution in London; is it in the City or in the outskirts?

A. It is in the outskirts of London.

Q. In connection with these institutions, why would it not be more feasible and less expensive to expand the present buildings rather than to have to go ahead and install all the preliminary work like heating systems and what not in a new institution?

A. Do you mean to expand it in population?

Q. Yes?

A. Then you would have to revamp the whole heating system in order to take care of it.

Q. And all your services?

A. Yes.

Q. Is it your intention to close up the London institution?

A. That is for the Department of Health to determine.

MR. STRACHAN: Might I suggest that we deal with what we were called for? We are going far afield and discussing matters in London now.

THE CHAIRMAN: I want to give the opposition the widest latitude, but I think we are running far afield.

MR. FROST: Q. In connection with the London institution is it your idea there that the buildings are obsolete?

A. Yes.

Q. Have you recommended that they should be abandoned?

A. Yes.

MR. DUCKWORTH: Why did you abandon the completion of the mental hospital at Brampton?

MR. STRACHAN: Surely,—

THE CHAIRMAN: Witness, do not answer that question.

MR. STEWART: Q. And the work I presume was done by tender on this building?

A. That is right.

Q. And what methods were employed in calling for tenders?

A. Advertisements were inserted in the newspapers where we figured there would be a large number concerned in it, and at other times it was done by letter to all firms which would be affected. There was some equipment that we might want to have tenders on and that we would know perfectly well every manufacturer of that line, and we would write them and ask them to quote.

Q. In awarding the tenders is it your policy and has it been your policy in connection with this institution to always award the tenders to the lowest tender complying with the specifications?

A. That is right.

Q. In every case?

A. Yes.

Q. And are the tenders opened publicly or privately?

A. They are opened within the department and not publicly.

Q. That is privately?

A. Yes.

Q. Who would be present?

A. The Minister and myself, or some other officer of the Department and myself. The tenders came to me.

HON. MR. NIXON: I do not think that question having been asked should be allowed to remain unanswered, because the statement is not correct. He asked why Brampton has been abandoned.

MR. DUCKWORTH: I did not ask the question until I found out you were drifting from the present institution to an institution in London, and we do know that the one at Brampton was operated up to 1937, and now it is standing there as it was left two years ago and it has never been completed.

A. The present building—can I answer it?

THE CHAIRMAN: You can answer it, of course.

THE WITNESS: The Brampton institution has not been abandoned at all. We are carrying out a long-range building programme in regard to Brampton. We have built the first unit at Brampton, and we intended this year going ahead with some more building.

MR. MURPHY: You slowed the construction up.

MR. STRACHAN: Mr. Chairman, that statement of Mr. Murphy's is unfair. What does he mean by that? We were getting along pretty nicely until Mr. Murphy introduced politics.

MR. MURPHY: There was not a man employed on that in 1937, and there has not been since.

THE CHAIRMAN: What was your question, Mr. Murphy? Was it in answer to something else?

MR. STRACHAN: It was a statement.

THE CHAIRMAN: Let us proceed.

MR. STEWART: I think I was within the scope of the inquiry and I was interrupted.

MR. STRACHAN: Yes, you were.

MR. STEWART: Is it a departmental procedure to open all tenders privately—why not publicly?

A. The reason for that—

HON. MR. LEDUC: Is that not a matter to be answered by the Minister in charge and not the Deputy Minister?

MR. DREW: Well, the question could be asked, "Did he"?

MR. STEWART: If you prefer not answering it, all right.

MR. ELLIOTT: Every tender is here, and they have been produced pursuant to a motion, and in every case you will find that the lowest tender was awarded.

HON. MR. NIXON: What do you mean by opening a tender publicly—taking it down to the City Hall?



THE CHAIRMAN: Let me ask you a question: Were these tenders called for in the same manner that it is customary to call every tender?

A. Oh, yes.

Q. Does that satisfy your question, Mr. Stewart?

MR. STEWART: Not quite. I am not responsible for what has happened in years gone by. Under my administration at the City Hall every tender was opened publicly.

HON. MR. LEDUC: What do you mean by "publicly"?

HON. MR. NIXON: What do you mean by "publicly"?

MR. STEWART: At an open meeting where the public may attend and the press.

THE CHAIRMAN: I think that is a matter of policy that this witness should not be asked to determine.

MR. STEWART: Q. What method is employed for the approving of extras?

THE CHAIRMAN: I did not hear the question; what was it?

MR. STEWART: What method is employed for the approving of extras?

THE CHAIRMAN: That is all right.

THE WITNESS: What do you mean by extras? There are always adjustments to be made in contracts as the work goes on. It alters it and might decrease or increase the value of the contract—the amount of the contract.

HON. MR. CONANT: Have you one of your contracts there?

MR. STEWART: On whose recommendation are extras approved?

HON. MR. CONANT: Usually the contract itself contains elaborate provisions about extras, do they not, Mr. McAllister?

A. They are approved by the architect. Any change from the plans must be approved by the architect.

Q. The contract sets that all out, does it not?

A. Yes, sure.

THE CHAIRMAN: Are there any other questions?

HON. MR. HIPEL: I would like to ask a question.

MR. DREW: I have not quite finished.

THE CHAIRMAN: After this slight interruption we will go ahead with Mr. Drew.

HON. MR. HIPEL: Before we get away from the costs asked for by Mr. Drew—

MR. DREW: The more informal this is the better.

HON. MR. HIPEL: I want to ask a question in connection with the construction of this building. You gave evidence this morning to the effect that the cost per bed of this institution is much less than similar institutions across the line or in the other provinces?

A. Yes, that is right.

Q. Is it a fact that in the construction of these buildings your department built what we would call a general utility building, leaving out the frills?

A. That is true.

Q. These buildings are what you would term or what we builders would term permanent fireproof buildings?

A. That is right.

Q. That is with low maintenance costs?

A. That is right.

Q. Would you say that this is due in a large measure to using standard sizes? What I meant by that is building six buildings of one standard size so that the contractor could use the same set of forms half a dozen times?

A. That would tend to decrease the cost of the six pavilions. Of course, they are all used for the same purpose in the institution so there would be no object in varying their layout.

Q. In other words, this is a concrete example where public expense can be cut down to the minimum by eliminating frills and putting up what we might term a general permanent utility building?

A. That is true. That is what we have tried to follow out in the whole construction.

MR. WELSH: Q. When this is completed how will it compare with the finished equipment, say, at our modern general hospitals like the new wing at St. Michael's Hospital or at the General Hospital?

A. You say the equipment?

Q. Yes, how will a finished room compare in equipment with the General Hospital?

A. Well, in the St. Thomas patients' pavilions we have some private rooms, but mostly dormitories. The patients are kept in dormitories. I forget how many sleep in a dormitory.

MR. ELLIOTT: Over 2,900.

THE WITNESS: There are 212 beds in a pavilion, and there are eighteen single rooms in a pavilion.

MR. WELSH: Q. How does it compare in general appearance as to the quality of the furnishings, and so on?

A. I don't know. I have not been inside of St. Michael's to know.

MR. DREW: Now, to get down to specific items: Have you installed X-ray equipment in this institution?

A. Not yet.

Q. Have you installed therapeutic equipment in there?

A. No.

Q. What specialized equipment is in there yet?

A. Well, there is no specialized equipment, but the kitchen, of course, and dining-room are equipped with the necessary things.

Q. I do not mean the things that would be in an ordinary building for the accommodation of the people. What equipment have you in there especially for the treatment of mental cases?

A. I think it is ordinary equipment; there is no special equipment. There is no special equipment.

Q. There is no special equipment for the treatment of mental cases yet installed in the Ontario Hospital at St. Thomas?

A. Well, not to the extent that there will be, because the unit in which those services will be installed is at present under contract and is not completed, and will be completed this Fall.

THE CHAIRMAN: Please, gentlemen, we cannot hear the witness at all.

MR. DREW: Q. Is it not so that you are going to install a great deal of special equipment for the treatment of mental cases?

A. Well, I do not know much about the equipment. We are simply taking the Health Department's recommendations on that. We are building the buildings to accommodate certain equipment.

Q. You must have estimates for that equipment, have you not?

A. The Health probably have.

Q. Have you called for tenders on it yet?

A. No.

Q. So there is no contract yet for any special equipment?

A. Not for the equipment within those buildings, no.

HON. MR. NIXON: Would you not have equipment for giving continuous baths?

A. Well, that is not special equipment. Those baths are being provided temporarily, I believe.

MR. DREW: Q. When I use the expression "special equipment," I mean equipment other than one would have for the ordinary accommodation of people living in a building, such, shall we say, as in an apartment house, or something of that kind; I do not mean by the words "special equipment" lavatories, bath tubs and things of that kind; I mean equipment particularly used in the treatment of mental cases. There will be a good deal of that, will there not?

A. Oh, yes.

Q. Have you an estimate yet of the amount for that that will go in there?

A. It is included in the total cost that I gave you of—

Q. Of eleven millions?

A. Yes.

Q. But not included in the present cost?

A. No, we have made no expenditures on it yet.

Q. So we may say this, that in the expenditure of five million and some odd dollars, in the amount already estimated of five million, four hundred and seventy-seven thousand, that there is nothing in there for special equipment for the treatment of medical cases?

A. Well, there may be, but there is no—as I say, there is no equipment bought yet for this medical centre which is at present under construction. I do not understand just what you meant by special equipment. In equipping a mental hospital there are certain things that go in but they are not special. They have to be used for the operation of the hospital.

Q. I have no doubt that in view of the fact you are dealing with this hospital that you have been through other mental hospitals, have you not?

A. Yes.



Q. And they have, for instance, this special therapeutic equipment that is ordinarily only used in a mental hospital?

A. Oh, yes.

Q. That is the type of equipment I mean, the equipment that would only ordinarily be used in a mental hospital?

A. Well, until such time as this medical centre is completed—

Q. Such things as physiotherapy and heat treatment?

MR. STRACHAN: Would it not be more correct to call that standard equipment?

MR. DREW: All right, standard equipment for a mental hospital, if you will, and used in the treatment of psychiatry and mental cases?

A. Well, there is certain equipment in the patient's pavilions, but that is not special equipment. It is just common to that type of building.

Q. Well, what, for instance?

A. Well, there are sterilizers and certain medical supplies.

Q. Those would be in any hospital?

A. Oh, yes.

Q. Well, then, may we say at the moment, whether you call it standard equipment for a mental hospital or special equipment for hospitals of this type, at any rate, that at the moment there is no equipment in the Ontario Hospital at St. Thomas other than what would be in an ordinary hospital; is that right?

A. Yes, I would say so.

Q. If that is the case, will not the cost per bed be very much higher for the permanent construction than for the construction that is already there?

A. Oh, no.

Q. Why not; because you will be including in that the overhead cost of the standard equipment?

A. But we have allowed for all items of expense to complete this institution in its entirety for 3,850 patients, that is the estimated cost that I gave you of eleven millions, which includes all these services and equipment.

Q. That is why I am anxious to see the original estimates for the cost of these buildings as compared with what the cost has been. To get down to specific items; take for instance the answers given as to the cost of the material supplied by different companies under the administration of hospital buildings.

I find here that the Islay Wilde Company, Limited, have contracted to supply \$784,000 worth of supplies to this building, of which \$347,000 have already been paid or has already been bought. What is the nature of these general orders that have been given to Islay Wilde and Company, Limited?

A. Well, that covers what we call a general contract for the construction of five buildings of the hospital group.

Q. They are contractors?

A. They are general contractors.

Q. This is the administration of hospital buildings group?

A. Yes.

Q. Just for the purpose of seeing how it was done, we have for instance Purdy Mansell, Limited, plumbing for three pavilions; that would be the patients' pavilions?

A. Yes.

Q. The amount of the tender was \$58,325. In the case of the Purdy Mansell, Limited, just take that as a specific example. Let us see how the tenders were called for, and what tenders you received under that, and so on.

THE CHAIRMAN: Do you propose putting those documents in as an exhibit?

MR. DREW: I shall have a look at them.

THE WITNESS: This is the notice which was inserted in the paper. They called for tenders. I am pointing out to Colonel Drew that this is a notice which was inserted in the different papers calling for tenders. There in the Times Journal three inserted; in the Globe and Mail, three inserted; in the Star, three; Telegram, three; Daily Commercial News, three; Engineering and Contract Record, Toronto, one insertion; Canadian Engineer, one insertion.

MR. MURPHY: Why did you not advertise in London?

A. I suppose there are certain contractors up around London who might be interested. We were not calling for one general tender, but we were calling for cut stone contracts and plumbing and heating and wiring.

MR. DREW: This not only covered the plumbing but included also the cut stone, and so on, and then you notified them under this advertisement that specifications would be furnished.

Q. Yes.

Q. And what specifications were furnished in reply to that?

A. This is the contract form, and these are the specifications. (Indicating.)

MR. ELLIOTT: That is a standard form of contract, is it?

A. That is true.

MR. DREW: Q. In response to that how many requests did you receive for specifications for the plumbing contract, for instance?

A. Well, I presume that anybody who inquired did. I do not know how many inquiries were made. I can give you the number of tenders that were received.

Q. Yes?

A. That is for heating—

Q. Yes. Well, the specifications you have handed me, the advertisement you have referred to me was an advertisement covering heating and cut stone, and so on, and the rest of this, the specifications you handed me, are specifications for the patients' pavilions covering plumbing?

A. What I gave you was the general specifications, the specifications covering the heating separate.

Q. It is quite simple; you advertised here pointing out that you were going to let certain contracts?

A. Yes.

Q. Both in regard to the plumbing and the supplies and the cut stone and the other details?

A. Yes.

Q. And this notified those who might be interested in that advertisement that if they wrote to you they would get specifications, and in doing so, they would indicate whether it was plumbing or cut stone they were interested in?

A. Yes.

Q. Those are the general specifications. Were there particular specifications for the plumbing contracts?

MR. GLASS: They are all in the general specifications?

MR. DREW: Q. There were no separate specifications other than this?

A. No.

Q. Under the plumbing what tenders were received for the plumbing under these general specifications?

A. What is that again?

Q. What tenders were received for plumbing contracts under these general specifications?

MR. GLASS: Mr. Chairman, will you have some order, we cannot hear.

THE CHAIRMAN: Order, please.

THE WITNESS: The number of them, Colonel?

MR. DREW: Yes.

A. Seven tenders were received.

Q. Who were those received from?

A. Purdy Mansell, Egget and Company, Purdy Mansell is in Toronto, Egget is in London. Adam Clark, Hamilton, George C. Abbot, Toronto; Bennett and Wright, Toronto and London; Gooderham Brothers, Hamilton.

Q. Yes?

A. There was a tender received from B. J. Miller and Company which came in after the closing hour. That is all the tenders received.

Q. Have you the tenders there?

A. Oh, yes.

Q. May I see them? I am concerned only with the plumbing.

A. The tenders are all here, I believe. That is a comparative summary of the tenders.

Q. Did you divide this work up?

A. That is right.

Q. Did Adam Clark get a contract?

A. No, not on the plumbing for the six pavilions. The contractors for the plumbing for six pavilions were Purdy Mansell and Egget and Company.

Q. How were those arrived at?

A. We gave three pavilions to each firm for the plumbing.

Q. Why was Adam Clark not one of the two?

A. His price was higher; we divided it between the two lowest, the two lowest tenders.

MR. ELLIOTT: On what basis is the amount—



A. On the lowest price submitted for the whole thing.

Q. That is, although it was divided it was on the basis of the lowest tender?

A. Yes.

MR. DREW: Q. Are the original tenders here?

A. Yes, they are right underneath there.

Q. The list of tenders for the plumbing; that is only on the pavilions. You have given the list of the names already, have you not?

A. Yes.

Q. And according to the figures here you gave three pavilions to each of the two lower contractors?

A. On the basis of the lowest price.

Q. Yes, I am not questioning that. Then as far as the other companies were concerned that tendered, I see that they did other work here; was that under separate tenders?

A. Well, they might have participated under the heating contract for the six pavilions. The plumbing was a separate contract, and the heating was a separate contract.

Q. Of course, this particular one is under plumbing?

A. That is right.

Q. I see these other companies did get some plumbing contracts as well.

A. Yes.

Q. They were under separate tenders?

A. Yes.

Q. So that in the case of the plumbing on the pavilions, Purdy Mansell and Adam Clark were—

A. For the plumbing it was Purdy Mansell and Egget.

Q. Why was it that Adam Clark was not given the three buildings there because they were the second lowest apparently?

A. They did get work later on.

Q. But you were calling for tenders there for the plumbing in the patients'

pavilions, and I see that Adam Clark was the second lowest tender, but that they were not one of the two who got the contract for that work?

A. Unless he refused to accept it.

Q. Well, I am just asking you a perfectly simple question. After all, a tender was called for, and the two lowest tenders for the plumbing work in the patients' pavilions were Purdy Mansell, Limited, of Toronto and Adam Clark, Limited, of Hamilton, but so far as the plumbing for the patients' pavilion was concerned you divided three pavilions to Purdy Mansell and three to Egget and Company, who was a higher tenderer than Adam Clark. There must be some reason for that?

A. Well, we had to award the contract on the lowest price received, and it may have been—I cannot recall—but probably Adam Clark did not want to meet the price on that. It was a matter of breaking up the work between them to give each firm something. It was quite a big job, and we were trying to divide it among the different plumbing and heating contractors.

Q. You put it on this basis; then the price was not the absolute test in awarding the contract?

A. Yes, it was.

Q. What I am saying to you is that your figures are perfectly clear, and we are now dealing alone with the tenders for plumbing for the patients' pavilions?

A. Yes.

Q. And there were six of those?

A. Yes.

Q. Purdy Mansell was lowest and they got three?

A. Yes.

Q. Of the six?

A. Yes.

Q. Now, I could not quite understand the wisdom of dividing it up when Adam Clark, Limited, of Hamilton were the second and they did not get any of that?

A. But they got plumbing.

Q. Plumbing, but not on that plumbing?

A. No.

Q. Why would they not get it, when Egget and Company of London, who were higher tenders, got three of the six pavilions?

A. There is no reason that I know of except that probably Adam Clark may not have wanted to meet the price; they may not have wanted to accept it.

Q. Well, he tendered?

A. He tendered, but that does not necessarily say that he would accept a lower price on three of them than he did.

Q. It does seem to me that we are getting into a sort of permeation and complication of this business. It seems to be getting away from the ordinary idea of tenders. If you call for tenders on a particular thing, and for the purpose of dividing this up you are not going to give the whole contract to the lowest tenderer, you might say, "We will give one firm two and another firm four, or three and three," and upset the whole system of tendering, as I see it. What are the facts? Surely there must be some facts to show why it was that the second lowest tender was set aside for another tender which was higher, because I cannot believe that these people did not want this?

HON. MR. CAMPBELL: Adam Clark was awarded a contract at Woodstock at the same time, being the lowest tenderer there, and no doubt he refused this one.

HON. MR. NIXON: The work was all done at the lowest tender?

A. Absolutely.

MR. DREW: Oh, no—

THE WITNESS: Yes, it was.

MR. ELLIOTT: It was all done at the price of the lowest tender.

MR. DREW: Q. You mean this; that having established the lowest tender basis do you mean to say you then put a proposition to all the others that they can have part of this work at the lowest tender, and naming the figures?

A. Yes.

Q. Well, what replies did you get?

A. Well, most of them accepted it.

Q. Then why pick out one particular tenderer in this case?

A. We did not pick him out. As I say, there must have been some other consideration. Adam Clark bid One hundred and twenty thousand dollars on six of them, which would be around Sixty thousand dollars for three, and we awarded the three, and there is a little difference in cost between the female and the male pavilions as far as plumbing is concerned; there is certain extra work in that, and Purdy Mansell's price for three was Fifty-eight thousand, and Eggett and Company Fifty-six thousand, and it is quite possible that Adam Clark did not want to take three of them when he bid on the whole six.

Q. Is there any correspondence in regard to that?

A. No, I do not think so.

Q. After all, Mr. McAllister, is not the purpose of calling for tenders and having tenders before you to get away from any of the variable factors that arise where a department is accepting full responsibility for choosing a contract; is not that the purpose?

A. Well, in general, yes, but we felt that in these times when work was so scarce and everything, that it would be better to distribute it around, and there are certain of these firms have certain workmen that they try to maintain on their payrolls for the full year, and we were simply trying to spread it around to give all these firms a part of it. I do not think that the fundamental system of tendering was destroyed in doing that.

Q. I do not want to labour the point, but I think it is a question of what method you did adopt in all this. You called for tenders?

A. Yes.

Q. You asked for tenders for the plumbing in the six buildings.

A. Yes.

Q. And on that basis certain contractors make tenders? Now, is it not customary to abide by the basis on which the tender is made? In other words, if you asked tenderers to tender on the basis of six buildings, you would get an entirely different result than if you are only asking for a price on that, because the volume of business is all very important in arriving at a decision?

A. When we called for tenders we asked for a separate price on each pavilion, I believe; in the tenders that you will notice there is a price per pavilion given.

HON. MR. CONANT: Alternative prices?

A. Yes, they were all embodied in the tender. They gave a lump sum, and then they divided it up into each pavilion so much.

Q. They bid on each separate building, too?

A. Yes.

Q. Then in dividing the buildings up, did you take the lowest price on each building?

A. I presume we did because we did not accept the total lowest price.

Q. I see the way it was worked out.

A. This is the way it was asked for in the tenders.



THE CHAIRMAN: Before we start on any new subject, it is now twenty-five past twelve, or close to it, and we propose adjourning at 12.30. I understand Mr. Conant—

HON. MR. CONANT: If you regard this as a convenient time to adjourn it—

MR. DREW: Yes, that is quite all right.

HON. MR. CONANT: Just one thing. In the question I interjected to you, it may be misunderstood, and it would be unfortunate if it were. You remember when we were discussing the London question I interjected the remark that it was dangerous, which is a word that has been rather loosely used this morning; I think Colonel Drew used it, and then I used it. Of course, I meant and you meant that it was in the sense of an apartment building?

A. Yes, it has been termed as “perilous” in some reports that were received in London.

Q. But there are hundreds of buildings in the Province in the same way?

A. Oh, I presume so.

Q. And it is in no different position than a great many buildings in the Province, and used for different purposes; is that not correct?

A. That is correct.

Q. That is all you meant, was it not?

A. Well, I just forget what the answer was.

MR. GLASS: He said it was an obsolete building.

A. It was obsolete for the use as a mental hospital.

HON. MR. CONANT: Q. You just meant it was not a fire-proof building?

A. Yes.

Q. And I say there are a great many other buildings used for various purposes in the Province in the same way?

A. When I said obsolete, I meant it was not a fire-proof building, that is what I meant.

Q. I am adding to that that there are a great many other buildings in the same way and of the same kind and used for various purposes in the Province?

A. Yes.

HON. MR. NIXON: And it served its purpose for a good many years?

MR. CHALLIES: Might I ask a question; what was the deciding factor that led them to use cut stone for the St. Thomas building?

A. I might explain that when we undertook this building programme of the hospitals—

HON. MR. CONANT: Are you not starting on something that might stand until after adjournment?

THE CHAIRMAN: Yes, this witness will be back in the box.

MR. STRACHAN: To-morrow the Legal Bills Committee meet, and it would not be convenient for me to be present to-morrow.

THE CHAIRMAN: Perhaps you could give some indication as to how long this inquiry will proceed and then we will know better.

MR. ELLIOTT: I suggest we might meet to-morrow at eleven o'clock.

MR. STRACHAN: I do not know how many Bills we have to consider. The Committee generally makes short work of them.

THE CHAIRMAN: We will hear from Colonel Drew; the matter of days that this is going to continue, in your opinion.

MR. DREW: It is rather difficult to tell, but I would doubt very much that we will finish to-morrow morning with this matter.

MR. ELLIOTT: Might it be well to adjourn until eleven o'clock to-morrow morning?

THE CHAIRMAN: We can sit Thursday and Friday, I suppose?

MR. ELLIOTT: I just had in mind that they cleaned up Legal Bills sometimes in about twenty minutes.

MR. STRACHAN: I won't be here, and I am chairman of the Legal Bills Committee. Can we call the Legal Bills Committee at nine o'clock and come here at eleven o'clock? Mr. Chairman, would it be possible to announce in the House, with Colonel Drew's consent, that the Legal Bills will be called earlier?

THE CHAIRMAN: Very well. We will adjourn this meeting until eleven o'clock to-morrow morning.

Whereupon the further proceedings of this Committee adjourned at 12.30 p.m. to resume on Wednesday, April 19th, 1939, at 11 o'clock a.m.

## THIRD SITTING

Parliament Buildings, Toronto,  
April 19th, 1939, 11.00 a.m.

MR. J. V. COOPER, Chairman, presiding.

The further proceedings of this Committee reconvened pursuant to adjournment.

THE CHAIRMAN: Order, please.

Whereupon the roll was called by the Secretary of the Committee.

THE CHAIRMAN: Now, gentlemen, I am going to ask as a special favour to-day that there be as little noise as possible. Yesterday some of the members could not hear the witnesses, and it is not fair to the witness, nor to the party asking the questions when there is too much noise going on in the room.

MR. STRACHAN: Before we go on with the evidence, Mr. Chairman, I would like to refer to a statement in yesterday's Toronto Daily Star, reporting the evidence of Dr. McGhie, where it said,—and I am quoting from this report—

“Dr. McGhie said it was in Ontario that appointments in the mental hospitals change with political administration.”

Now, Mr. Chairman, I have had the privilege of reading through the evidence, and there was not a suggestion in Dr. McGhie's evidence to that effect—

MR. WELSH: Will you read that again, please?

MR. STRACHAN: Yes. “Dr. McGhie said it was in Ontario that appointments in the mental hospitals change with political administration.”

I can find nothing in the evidence which suggests that, but at page 48 of the evidence—

MR. FROST: He said it was in the United States.

MR. STRACHAN: —at page 48, Mr. Nixon stated, at line 9:

“HON. MR. NIXON: Q. As a matter of fact, Dr. McGhie, in connection with the evil of patronage, as is suggested here, has there been a medical superintendent dismissed, in your time?

“A. No, there has not.

“Q. There has been no dismissal out of the position of a medical superintendent?

“A. No.”

Now, Mr. Chairman, I think it is particularly important in an enquiry like this, that the newspaper accounts should be accurate, and I want to bring it to the attention of the Committee to show what a very misleading idea could be formed by the public in reading this account.

Now, Dr. Smith is here, Mr. Chairman, and with the permission of my friend Colonel Drew, rather than keep Dr. Smith away from his duties, may we interrupt Mr. McAllister's evidence, and call Dr. Smith?

MR. DREW: That will be quite satisfactory.

THE CHAIRMAN: Very well. Will Dr. Smith please step forward.

DR. SMITH: Yes.

DR. WILFRED DAVEY SMITH, a witness being called, and duly sworn, testified as follows:

MR. DREW: Q. Dr. Smith, we were informed yesterday that you have been appointed superintendent of the Ontario Hospital at St. Thomas?

A. Yes, sir.

Q. As of what date?

A. As of March 15th.

Q. 1939?

A. 1939, yes.

Q. And how long have you been at the mental hospital at St. Thomas?

A. I went there, I think, it was on the 20th, sir—within a day or two of the 20th. I went on a Monday. Let me see—the Monday following the 15th. I think that was about the 20th.

Q. The 20th of—

A. Of March.

Q. Of March last?

A. March, 1939, yes.

Q. And where had you been immediately prior to that?

A. I had been in the general office, in the Department of Health.

Q. How long had you been in the general office, Dr. Smith?

A. I came to the general office about the 1st of August of 1937, sir.



Q. And then remained at the general office at the Department of Health, from August, 1937, to March 20th of this year?

A. Yes, within a day or two of the first of August—I think it was the first of August I came here.

THE CHAIRMAN: Q. What year was that, Dr. Smith?

A. 1938.

MR. DREW: Q. And where were you prior to the time that you went to the general office of the Department of Health in August?

A. I was attached to the staff of the hospital at Whitby—the Ontario Hospital at Whitby.

Q. And what period would that cover?

A. I went there about the 7th of December of 1937.

Q. And stayed continuously at the Ontario Hospital at Whitby until August of 1938?

A. Pardon me?

Q. You stayed continuously from the 7th of December, 1937, until August, 1938, at the Ontario Hospital at Whitby?

A. Yes, sir.

Q. And what were your duties there?

A. While I was at Whitby, I had charge of the four cottages. It is laid out on the cottage plan. I had charge of four cottages, each containing about 68 mental patients, for about six weeks, and then I had charge of eight of them, containing about the same number of patients, about 68 patients to a cottage on the average—as the general supervisor, and studied the cases and made notes on them, and so on, and then I was transferred to the male infirmary, and then to the female infirmary. The infirmary, as you know is where the patients are more discommoded, and cannot get around very well. Then I became assistant superintendent for the last three weeks.

Q. About three weeks prior to the time you came back to the general office of the Department of Health?

A. Yes, sir,—of course, I was acting as such. You see, I was acting under instructions from the head office, to take the place of the assistant superintendent for three weeks, just before I came to the head office here.

Q. Well, perhaps we can just go back to the evidence that was given yesterday. The evidence that was given yesterday was—to summarize it—that when you went to the Ontario Hospital at Whitby in December of 1937,

it was understood then you were to become the superintendent at St. Thomas, and for that reason instructions were given that your work was to cover a wide field; is that a correct analysis of the situation?

A. Well, possibly that is as correct as you can get it, yes.

Q. In other words—

A. I was more or less given to understand that in all probability, if I made good, I would become the superintendent at St. Thomas. There was nothing in writing about it at all. It was just the impression I had.

Q. And your impression was the same as that in other quarters, because that was the evidence given here yesterday?

A. All right.

Q. I want to tie it with the evidence which was given here?

A. Yes.

Q. You will correct me if I am wrong, but quite clearly what was stated yesterday was this; that it was understood that you were to become the superintendent of the Ontario Hospital at St. Thomas, and for that reason, at the time you were attached to the Ontario Hospital at Whitby, your work was to cover a wider field than ordinarily would have been the case with an assistant physician being attached to that hospital?

A. That is a fair interpretation, I think, sir.

Q. And what age were you when appointed to the Ontario Hospital at Whitby?

A. Well, that is a tender point with me—my age. I do not mind telling you. I would be—let me see— I will be 58 this coming April 24th, in a few days now.

Q. 58 on April 24th, next?

A. Yes.

Q. Well, we will not labour that point. We do not want to embarrass anyone, but after all it is one of the details of the position.

HON. MR. NIXON: He is just in the prime of life.

MR. DREW: In this case, life begins at 58.

MR. DREW: Q. Dr. Smith, before you were appointed as assistant physician at Whitby, where were you practising.

A. I was practising in Creemore, a village in the township of Nottawasaga, in Simcoe County.

Q. How long have you been practising there?

A. I have been practising there since 1911.

Q. And you have been in general practice at Creemore during that period?

A. Yes, sir.

Q. And during the period you were practising in Creemore, had you had occasion to take any post-graduate work or any special work of any kind, outside of Creemore?

A. Frankly, I spent some time in New York in a private hospital for mental cases.

Q. When would that be?

A. Oh, about 1928 or 1929, somewhere thereabouts.

Q. Were you attached to the hospital staff?

A. No sir, I went down on a visit of inspection.

Q. And how long would your inspection take?

A. One month.

Q. One month?

A. Yes, sir.

Q. And you were, I gather, just simply out of interest going to this hospital in New York for a period of one month, voluntarily, and not in any way connected with the staff itself?

A. No sir, it was purely voluntary.

Q. What hospital was that in New York?

A. Townes' Institute in New York.

Q. Townes' Institute?

A. Yes.

Q. How do you spell that—T-o-w-n-e-s?

A. Yes, T-o-w-n-e-s.

Q. What aspect of mental illness were you considering at that time?

A. They specialized in the treatment of alcoholism; although I was not a victim.

Q. You were not there on a post-graduate course?

A. No, sir.

Q. And just what aspect of the treatment in which they specialized would have any particular bearing on the work we now have under consideration?

A. I scarcely catch the drift of that, sir.

Q. Let me put it this way; at Townes' Institute, as I understand it, specializes in the cure of alcoholic cases?

A. Yes, sir.

Q. Is any considerable part of the work at the Ontario Hospital at St. Thomas to be devoted to that type of treatment?

A. Well, speaking from my experience in Whitby, which is perhaps one of the—I hate to use the term “better”—but it is one of the better institutions in Ontario, and quite a large percentage of our in-coming patients were alcoholics, that is, given over to the use of alcohol to such an extent that they were incapacitated for work or to manage their affairs. They came voluntarily very frequently.

Q. I think everybody in this room will agree with you that Whitby is one of the better institutions?

A. Yes.

Q. And you were saying that a very large percentage of the treatment at Whitby is devoted to alcoholics?

A. No, let me get that right. I say quite a number of our patients—I cannot tell you the percentage, but there never was a week would go by but what we would get one or two or three alcoholics for a month or a year's treatment. Sometimes they signed themselves in for a year for treatment for alcoholism, and judging from my experience there, I would imagine that at St. Thomas we will probably institute some such treatment as that.

Q. Were these people whose alcoholic habits had caused mental derangement, or were they simply being treated for alcoholism?

A. They were simply being treated for alcoholism. Sometimes, of course, there was a mental aberration behind the other thing.

Q. Without tying you down to the exact figures, about what number of patients at Whitby at any one time would be there as alcoholics?

A. Well, that is not fair, of course, to compare the number of times with the total population, because the alcoholics come and go, and in a month or six weeks, or two months, I would say about 30 people would be alcoholics.



HON. MR. CONANT: Q. Out of a total of what?

A. There would be 1,700 altogether, and a great number of them were mental cases.

Q. That would be about 2%?

A. Yes. They come and go so frequently, that it seems like a large proportion of admission.

Q. They paid their own way most of the time?

A. Oh yes.

Q. Self sustaining?

A. Not necessarily. They may be committed as alcoholics.

Q. But most of them, as a matter of fact, paid their own way?

A. Yes, as a matter of fact, most of them did pay their own way.

MR. DREW: Q. At the Townes' Institute, were the cases you saw there mental cases resulting from alcoholism, or were they purely alcoholic?

A. May I be permitted to make a statement about that?

Q. Certainly?

A. In private practice I would meet many people, particularly in the early days, who were given over to alcohol, so much so, that their wives and children were on the verge of starvation, or in great distress, and I became interested in a method of treatment. I was not successful in my practice in discovering that, and I decided to attend the Institute.

I was often appealed to by wives and mothers to see what could be done for their boys and husbands, and I became interested in that branch, and I thought I might find out something at Townes which would help me in my private practice. That is the whole story in a nutshell.

Q. Prior to the time you were practising at Creemore, had you a practice any place else?

A. No, sir; I spent my lifetime in Creemore as a medical physician.

Q. You went there after graduation?

A. Yes.

MR. STRACHAN: Q. Where did you graduate from, Dr. Smith?

A. From Toronto.

Q. Toronto University?

A. Yes.

MR. DREW: Q. And in Creemore your practice would be the ordinary general practice of a community of that size?

A. Quite right, yes.

Q. Have you ever, at any time, had charge of any institution—I do not mean necessarily a mental hospital but any institution of any kind?

A. No; to be frank, I cannot say I have ever had charge of an institution of any kind. I have tried to manage my own business.

Q. If my questions are in any way uncertain, ask me, but make the answer as informal as you like?

A. I have never been in charge of an hospital.

Q. I want to get the facts with regard to the administrative experience you may have had, in connection with anything else outside of medicine itself.

A. Yes.

Q. From what you say, it is fair to say you have had no administrative experience during that period?

A. That is right, yes.

Q. When you came to the general office of the Department of Health, in August of 1938, what was the nature of your work there, from that time until the 20th of March of this year?

A. Well, at first, I took over the office that is usually administered by Dr. Buck, that is, the office that is called the admitting office for patients, where doctors write in or send in their various documents, and admission is awarded to the superintendent.

Then, I had that off and on for quite some time, and then I was also called in in a consulting capacity in connection with the buying of equipment for the new hospital at St. Thomas. Indeed, I believe that was in the backs of the minds of the heads of the department when I was asked to come in, so that I would be available, not to tell them, but to consult with them when they were considering the purchase of equipment for the hospital.

Then, I was assigned to the work of ascertaining the number of elderly people in our hospitals, and tried to suggest a plan whereby some of them might be admitted to aged people's homes and so on.

I have been sent out to various hospitals. I visited Hamilton; I visited London on two or three occasions; I was out to Toronto, on Queen Street

on several occasions; and at New Toronto—I was sent out there on several occasions, and at Orillia and Penetanguishene—practically visiting all the hospitals within striking distance of the City.

Q. Now, Dr. Smith, during the period you were assistant superintendent, who was the superintendent?

A. Dr. D. R. Fletcher.

Q. You temporarily occupied the position of assistant superintendent?

A. Yes.

Q. The assistant superintendent is still there?

A. No—well, as a matter of fact, that assistant superintendent is up with me right now.

Q. You did not actually replace him?

A. No.

Q. It was merely a temporary position which you occupied?

A. Yes.

Q. During that period, actually what were your duties in a broad outline—during the period—one month I think you said it was—

A. Three weeks I said, sir.

Q. During a period of three weeks, that you were acting as assistant superintendent at Whitby, just, in general terms, what were your duties?

A. Well, the first thing in the morning was to receive the reports of the condition of all the patients from the supervisor of the attendants, and the supervisor of the nurses.

As a result of these reports I communicated with the Department with reference to any nurse who was off sick or any man who was off sick, and those who had been sick and came back on again.

I signed the various requisitions which came in from the different wards for supplies, having checked them over.

I certified the invoices which came to me from the steward's office, and then, of course, I had general supervision of all the clinical work in the hospital.

Q. Now, at the present time, who have you on your staff at St. Thomas, that is, of the senior officials? Who is your assistant superintendent?

A. Dr. F. R. P. Montgomery. There are two Dr. Montgomerys in the place, and this is Dr. F. R. P. Montgomery.

Q. Dr. F. R. P. Montgomery?

A. Yes.

Q. He was at Whitby while you were there?

A. Yes, sir.

Q. And, as I understand, has been in the service for some considerable time?

A. Yes, sir.

Q. Now, at St. Thomas, have you laid out your routine for handling the admission of patients?

A. Yes, sir.

Q. Just who is responsible for the allocation of patients on arrival?

A. The job that I have now is largely administrative, sir. The direction of the clinical services is in charge of the assistant superintendent. That I believe is the case in most of the hospitals, as a matter of fact.

Then there is the staff, and the allocation of the staff; the taking on of staff; the direction of that is in the hands of the superintendent ordinarily. I do try to meet all the patients who come in, but of course, that really is and will be quite a task. Just now, my work is largely administrative.

Q. You would not, claim to be a psychiatrist at the present moment, Dr. Smith?

A. Well, in the technical sense, I would not claim to be a psychiatrist, but I do say that I have gathered up quite a fair working knowledge of psychiatry, which I hope to combine with a good deal of common sense, to make a superintendent.

Q. But, as a doctor, and recognizing the technical requirements before one can claim to be a psychiatrist, you would not, I think, in fairness, claim to be a psychiatrist?

A. I would not pose as a psychiatrist, no.

MR. LAMPORT: Q. Are there any psychiatrists the heads of mental hospitals?

THE CHAIRMAN: Mr. Lamport, I will give you a chance to question the witness after Mr. Drew has finished.

MR. LAMPORT: I do not want to question the witness. I am asking anybody, Mr. Chairman.



HON. MR. CONANT: Q. Dr. Smith, you said you would not claim to be a psychiatrist; will you go as far as to claim to be a man of considerable common sense?

A. I have been meeting the general public for quite some time, and largely the people who are ill. I have a whole lot of nervous people, and I think I have been reasonably successful with them, and I have a working knowledge of psychiatry, picked up at Whitby. I think I understand some of the fundamentals of it, but to be a psychiatrist in the sense that I spent five or six years in some mental hospital, dealing with mental patients, and that I spent six months at the Psychiatric Hospital, and so on, and so forth,—I do not claim that, of course.

Q. From your observation and experience to date, Dr. Smith, you apportion your work and your responsibility between that which is administrative, and that which is purely medical or psychiatric? Is that question clear to you?

A. You mean in so far as the superintendent of the hospital is concerned?

Q. Of course, yes?

A. I would say that three-quarters of his time is of necessity spent in administrative duties. The rest of his time he might be able to make an inspection of his patients in the hospital, possibly once a week. Some of them, I am sure, do not get around that often.

Q. But largely—the greater portion of your time is devoted to the administrative side?

A. Absolutely.

Q. And is that true of superintendents of these institutions, generally?

A. I think it is.

HON. MR. CONANT: Thank you, Mr. Drew.

MR. DREW: I notice, Dr. Smith, in your reply to my friend, Mr. Conant, you to some extent gave a definition of what one might consider to be an "expert in psychiatry." I think you will agree with me that psychiatry is, particularly in modern practice, an extremely modernized branch of the medical profession?

A. You can hire an expert psychiatrist for three thousand dollars a year, and I have never earned that little since I started to practice medicine.

Q. That is not quite the question. I am not asking you why you did not before now become a psychiatrist, but I am asking you what a psychiatrist is?

A. I think, generally speaking, a psychiatrist is defined as a man who left the medical school, and went into a mental hospital, interned there, spent his time with patients for quite some time, and possibly took a year's course in the Psychiatric Hospital over here on Surrey Place, and I imagine by that time

he would have a diploma as a psychiatrist. I do not know how you would define it, but the longer you are in the business, the more expert you become.

I do not think, to my knowledge, there is any diploma or certificate which could be issued to anybody to style them a psychiatrist, any more than a man gets a certificate for a surgeon. If you are going to be a surgeon, you practice surgery, and by and by you get a reputation, and then you are a surgeon—after a number of years, perhaps.

HON. MR. CONANT: Like an expert witness with his very high sounding—

HON. MR. NIXON: Or maybe like a lawyer with a King's Counsel.

MR. STRACHAN: I thought that would probably come up.

HON. MR. CONANT: No, not necessarily.

MR. DREW: I do not think the Attorney-General probably is drawing a good comparison here, because you probably know the old comparative description of an "expert witness," that is, "a liar," and a "damn liar;" you have no suggestion of that kind. However, that is just an aside.

MR. DREW: Q. But, Dr. Smith, here is a point in all seriousness; in your profession, it is not possible to say what the actual minimum requirement is in any particular case, but in your profession, there are specialists in surgery, and if you were a doctor and a general practitioner, you would know what you describe as a surgeon; for instance, there are such things as a man who has after his name "R.C.S." and otherwise might have some initials which would indicate his standing in surgery. You, yourself, in general practice, would have no doubt about whether or not a man was a surgeon? You would have no doubt about that, would you?

A. All right; I will go that far.

MR. STRACHAN: That is rather a difficult question to answer.

THE WITNESS: I cannot answer that. Do you know, yourself, of any degree that stamps a medical man as being a surgeon? I am a member of the Royal—not of the Royal, but of the College of Physicians and Surgeons—

MR. DREW: Q. But you are not a "F.R.C.S."?

A. That would be a "Fellow of the Royal College of Surgeons."

MR. STRACHAN: That reminds me of my learned friend Mr. Church's favourite expression, "You saying so, does not make it so."

MR. DREW: Do not think I am making light of this. I am trying to get a definite definition.

THE WITNESS: Go as far as you like. I do not claim to be an expert psychiatrist, because I have not had experience enough to enable me to say I am an

expert psychiatrist, any more than I would say I am an expert surgeon, even though I have had some experience in surgery. I would not want to take on a serious operation in surgery.

MR. DREW: Q. Just to sum it up, as I understand, while there might be variations one way or the other, you would think that a man would be qualified to call himself an expert psychiatrist who had, after graduation, gone as an interne into a mental hospital, spent some considerable time there, and followed that up by special study in the psychiatric work.

Then, that, I understand, is your definition of a psychiatrist?

A. Yes.

Q. And after some years he would become an expert in mental work?

A. Precisely.

Q. I think that is a fairly clear definition of what we might call a psychiatrist?

A. Yes.

Q. Now, Dr. Smith, have you ever had an opportunity of attending any of these conferences which are called from time to time to discuss the methods of the administration of mental hospitals?

A. Yes, sir.

Q. Did you, for instance, attend the conference in the United States in December last, devoted to a discussion of that subject?

A. No, I have not attended any out of our own province, but I have been at one or two or three in our own province.

Q. And that was the last one you were at here?

A. I think it was in February, sir; it was during the winter.

Q. And what conference was that?

A. All the superintendents of the Ontario Hospitals gathered together, and I was invited to sit in with them.

Q. That was just a conference of the superintendents?

A. Yes, sir.

Q. And you have not had occasion to attend any of the larger conferences, at which psychiatrists generally met, and discussed their affairs?

A. How broad a definition—do you want to take in the United States?

I attended the Psychiatric Association meeting on two or three occasions in the Province of Ontario.

Q. And at those meetings have they discussed the administration of mental hospitals?

A. Well, mostly the discussions were on psychiatric problems which arise in mental hospitals, that is, the Neuro Psychiatric Association.

Q. Dr. Smith, have you had occasion to examine the professional requirements imposed before the appointment of a superintendent of a mental hospital in England?

A. No, sir.

Q. Do you know that before a man may be appointed a superintendent of a mental hospital in England there are very strict professional requirements involved?

A. I do not know, but I do know that it is often the case that that is required. That may be so.

Q. Have you had occasion to consider the requirements laid down for the appointment of superintendents in mental hospitals in the United States?

A. I have had access to reports made by—yes, I have.

Q. Do you know what requirements they are now insisting upon?

A. I cannot tell you off-hand, sir.

Q. The reason I ask was that the Deputy Minister of Health yesterday in answer to a question made the statement which is consistent with the reports I had here, that in the United States now—rather that our practice is very closely associated with that of the United States, because of the similarity of our problems, and that they are insisting now on very high technical qualifications on the part of superintendents of mental institutions. Are you aware of that?

A. Well, it has not been the continuous practice in the Province of Ontario, because I can remember when a layman was appointed a superintendent, and I remember the doctor who opened the Ontario Hospital at Woodstock was practicing in a little hamlet, not half the size of the one from which I came. It has not been a continuous practice in Ontario.

Q. I realize that. I think you will agree with me in this, however, that there has been in recent years, a very different attitude manifested toward the treatment of mental cases, than there was before; is that not so?

A. I should say that every superintendent should have in his hospital an expert psychiatrist, but I would say that the actual practice of psychiatry is not so much the business of a superintendent, as are the administrative duties.



After all, if a hospital is going to run smoothly, it must be well administered.

Q. What would you say would be a fair requirement in considering the appointment of the superintendent in a mental hospital?

A. I would say he should be a man of certain experience, able to handle patients without too much friction, able to handle the nurses without too—(laughter)—

THE CHAIRMAN: Would you like that stricken off the record?

THE WITNESS: I apologize to the Committee. I did not mean it that way. (Laughter.)

MR. ELLIOTT: No boasting, now.

THE WITNESS: Then, there is your chef's department, which is very important; your steward's department, your farm department; your canning department. You know there is a lot of industry in connection with the administration of a hospital, so that I can truly tell you, sir, that most superintendents do not have a great deal of time, even if they were the most expert psychiatrists in the world, to devote themselves to the study of psychiatric disease.

HON. MR. CONANT: Q. Would not experience and knowledge gained from general practice be of very much value in that work, Dr. Smith?

A. Well, I should think so, sir. In a quarter of a century of meeting people of all descriptions, I think I have picked up a fair working knowledge of psychiatry, even before I went to specialize in it.

Q. And in an institution like that, you must have a lot of medical problems generally, aside from the sickly mental?

A. We have a lot of physical problems—physical illnesses. That is where, in general practice, all sorts of diseases come in from every hand. It happened often in Whitby that I was called upon to consult generally with the psychiatrist, who had a physical condition in hand.

MR. DREW: Q. At this point, let me make it perfectly clear that there is no one who will pay greater tribute than I will to the excellent qualifications of the general practitioners of this province. There are cases where a general practitioner may have experience far beyond that of any ordinary obstetrician, as we know in one particular case, but that still does not get away from the fact, as I understand it, in the case of the administration of an institution of this kind,—we have had the suggestion here that there is a difference of opinion as to what would be the most desirable qualifications for an administrator of an institution of this nature, and it was suggested yesterday that there was a difference of opinion as to whether a person should be a qualified psychiatrist, or a qualified administrator, but in laying down the conditions, from your own knowledge of the situation, what would you yourself say that you should lay the emphasis upon?

A. I would say that the man who was a good psychiatrist and a poor administrator would very soon put any hospital "on the rocks." If he was a good administrator, and a very indifferent psychiatrist, he might get along all right.

Q. I suppose we can put it fairly on this basis, that a psychiatrist who was not a good administrator could cause trouble, but in any event, the qualifications then would be if a man was not a psychiatrist, he must have administrative ability?

A. That is right.

Q. That would be a fair test?

A. Yes, that would be fair.

Q. Are you prepared to express any opinion—for instance, I read a statement yesterday, which it was agreed by one of the witnesses was made by an extremely competent specialist in this branch of work, Dr. William Russell, to a gathering of doctors discussing mental health, on December 30th, last—it was the mental branch of the American Association for the Advancement of Science—and in that he made this statement:

"The key position in the hospital organization is that of medical superintendent. However appointed, it is of paramount importance that nothing should interfere with the selection of a mature, well-educated physician, whose training, experience, and professional, executive and personal qualifications are clearly those required in this important position, teaching, administration, heading staff conferences, or clinical cases, public contacts, research interests, and so forth, subject only to Civil Service regulations, and procedures, and the support of administrative authority in resisting prejudicial influences, it is necessary for the medical superintendent to have a free hand in appointments and in control of all other positions in the hospital.

"The treatment of the mentally ill is directed to the whole personality of the patient, and embraces all his interests, contacts, and activities. It must be social as well as individual. It is necessary that every detail of the administration of the hospital be under medical control, and the medical superintendent must, therefore, exercise authority throughout the organization."

Is that a fair proposition?

A. Yes. Wherein do I fall down there now?

Q. No, we are not examining your medical qualifications this morning.

A. All right.

HON. MR. NIXON: Q. As a matter of fact in these two cases you mentioned, the one at Orillia, and the one at Woodstock, Mr. Denning, and Dr. Williams, that they both turned out to be fine superintendents?

A. As far as I know they were. Only a week ago, I heard somebody who was in a position to know speak most highly of Mr. Denning.

MR. DREW: The Provincial Secretary is extremely clever in building up a perfectly good defence by remarks which on the face of them appear perfectly innocent, but I would suggest that the Provincial Secretary withhold these speeches of his until he is either cross-examining the witness,—

MR. LAMPORT: Do not make it too one-sided.

MR. DREW: May I point out, since the statement has been made, that I am one of those who knew Mr. Denning, and had a very high regard for him. But, however, we are not discussing what took place some years ago; we are discussing the appointment of a superintendent of a mental hospital in modern times, and under modern conveniences, and it does not seem to be at all necessary to thrash it out before this witness—

HON. MR. NIXON: You do not think the experience of the past should be any guide or of value here?

MR. DREW: I think it should be a very considerable guide, and on the proper occasion I will explain to you how I think you are ignoring it, but I do not think we need to argue through Dr. Smith as to whether appointments in the past were wise or not. I am asking Dr. Smith for certain information, and he is giving it very kindly and courteously, and under what must be to him embarrassing circumstances.

HON. MR. NIXON: I think he is taking care of himself very well.

MR. DREW: Very well, indeed.

HON. MR. NIXON: If anybody is embarrassed, it is not Dr. Smith.

MR. DREW: No, if anybody is, it is you, and you are trying to build up a very good defence—

THE CHAIRMAN: Gentlemen, I have allowed the inquiry a great deal of scope. We are getting now very wide of the purpose of the Public Accounts Committee, but as it is of public interest I have allowed many of the members to interject remarks, and ask the witness questions, and I will continue to do so until such time as I see the meeting is getting out of hand.

MR. STRACHAN: Mr. Chairman, while we are on that point, I would refer you to the motion by Colonel Drew, with regard to Dr. Smith. It says here:

“That Dr. W. D. Smith, superintendent of the Ontario Hospital, St. Thomas, be summoned to appear before the Public Accounts Committee at the next session thereof, to give evidence with reference to all items of Public Accounts up to March 31st, 1939, with reference to payment to himself, by way of salary or otherwise, and also to all items of public account in connection with the Ontario Hospital, St. Thomas, which are subject to his recommendation or control, and to produce before the Committee



all correspondence, offers, tenders, papers, documents, specifications, agreements, surveys, plans and other documents referring to the said item."

I quite agree that the Chairman has given us some scope, but with great respect I think Col. Drew is getting a little far afield from his own resolution.

SEVERAL HON. MEMBERS: Hear, hear.

THE CHAIRMAN: I understand that, and I will allow it to continue.

MR. DREW: I will not proceed under any assumption that I am asking questions as a favour. I am not asking questions as a favour. I pointed out yesterday a perfectly clear illustration, and I would suggest that despite the fact that to some of you I am neophyte in the affairs of the Public Accounts Committee, it is a part of the Public Accounts Committee's duties to consider qualifications as well as all documents.

As I pointed out yesterday, if you were considering highway expenditures, it would be perfectly proper—and it has been done in the past, and it is customary so to do—to consider the quality of the materials used, and the qualifications of the people doing the job, and generally such things as go into a finished job.

In this case we are considering a mental hospital at St. Thomas, and any resolution must embrace in it the building, the staff, and above everything else the superintendent who will administer it. I do not feel that any questions I have asked have been wide of the scope of this inquiry.

THE CHAIRMAN: Rather than have the impression go out that we are trying to curb any questions, I will make the ruling to go ahead, Colonel Drew, and ask what you like.

MR. DREW: I believe that is all I have to ask this witness.

THE CHAIRMAN: Mr. Strachan, do you care to ask any questions?

MR. STRACHAN: Yes, I have one or two.

THE CHAIRMAN: Will you proceed?

MR. STRACHAN: Q. Dr. Smith, my honourable friend, Colonel Drew, read an extract from the report of Dr. Russell. You heard the extract, where he talks about the medical superintendent, where he says:

"The key position in the hospital organization is that of medical superintendent. However appointed, it is of paramount importance that nothing should interfere with the selection of a mature, well-educated physician, whose training, experience, and professional, executive and personal qualifications are clearly those required in this important position, teaching, administration, heading staff, conferences, or clinical cases, public contacts, research interests, and so forth—"

If he did all that, how much time would he have to look after the canning and farming, and so on, which is part of a superintendent's duties?



A. Well, as I tried to explain to Colonel Drew, at least 75% of your time is taken up with administration work.

Q. And this statement of Dr. Russell's is a nice thought, but as far as the superintendents in Ontario go, they simply have not got the time to be everything that Dr. Russell thinks they should be?

A. I could tell tales out of school, but I will not.

Q. No, we do not want you to do that. I will leave it at that. Mr. Chairman, I have no further questions to ask Dr. Smith.

THE CHAIRMAN: Any other member of the Committee wish to ask Dr. Smith any questions?

HON. MR. NIXON: Just one question. Dr. McGhie was giving expert evidence—

MR. DREW: At what page?

HON. MR. NIXON: At page 41. Colonel Drew asked him, referring to you,—:

Q. Do you think that he has the required executive ability to attend to the administrative duties in St. Thomas?

A. Time will tell that. I believe Dr. Smith is a very good physician, with a good knowledge of the human nature, and knows his limitations, and is willing to seek the necessary advice

Would you call that an over-statement at all?

MR. DREW: The doctor is being asked if he knows his limitations.

THE WITNESS: Like everybody else, I have limitations, and a lot to learn, and am willing to try and learn it. Whoever took hold of an institution, who did not have to learn something about it? I believe even the leader of a political party is required to get a certain amount of learning.

MR. DREW: But one happens to be a political appointment, and the other is not supposed to be, although apparently it is.

THE CHAIRMAN: Q. Then, I take it that you admit your qualifications, Dr. Smith?

SEVERAL HON. MEMBERS: Hear, hear.

THE WITNESS: Do not think I am presumptuous. I am the most humble man in the world. I will try to do my best provided I am continued in my post. I am working now from 8.00 o'clock in the morning until 6.00 o'clock at night, and I will keep it up as long as I have the strength, and I am certainly interested in the hospital at St. Thomas. My heart is all wrapped up in it, and I would like to go ahead and make it go.

THE CHAIRMAN: Any other questions? (No response.)

All right, Dr. Smith, thank you. (Applause.)

The witness retired.

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MR. STRACHAN: I presume now you would like to go on with the examination of Mr. McAllister, Colonel Drew?

MR. DREW: Yes, if you please.

THE CHAIRMAN: I think Colonel Drew was examining the witness. Mr. McAllister will you come forward again.

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RAPHAEL A. McALLISTER, recalled:

THE CHAIRMAN: I think you were asked to try and get some original estimates?

A. Yes.

Q. Have you them there?

A. Yes. (Documents handed to the chairman.)

MR. DREW: Q. Mr. McAllister, you have handed me here what you state to be an estimate of the costs of the buildings at St. Thomas, which I see reach a total figure of \$11,249,355.00; that is not the original estimate, is it?

A. That is the first estimate that was made in any concrete form when we started this institution, and there were certain requirements we had in mind and as they developed, that estimate was prepared (indicating).

Q. I notice at the top it is marked "Estimated expenditures for buildings to be carried out during the fiscal year 1938 to 1939."

Well now, it would appear to me from that, that that is not the original estimate upon which the decision was made to proceed with this building?

A. There was no formal estimate prepared. While the architects did have an estimate, it was not prepared in any formal way. They knew the general requirements, and the general cost, but it was not put into any form like that (indicating).

Q. Was there no concrete—perhaps I should not use the word "concrete"—was there no specific recommendation containing the estimates of the total cost, and the reason why this would be a desirable place to locate the hospital?

A. What do you mean by a "desirable place to locate the hospital"?

Q. I would have thought, Mr. McAllister, that in a matter of this kind

that before a decision was reached to start with a proposition that involves an expenditure, as a minimum, of \$11,000,000.00—probably considerably more than that—that there would be some very clear recommendations by experts as to the reason for going ahead with the building in that particular place, as compared with some other place?

A. Oh, there was.

Q. Where are those?

A. That sum was made by Mr. Williams, the assistant architect. I believe he could give you more information than I could.

MR. ELLIOTT: He will be called.

MR. STRACHAN: We are going to call him.

MR. DREW: Q. So that he would have the recommendations with regard to which this decision was reached?

A. Yes.

Q. Mr. Williams is the architect?

A. The assistant chief architect.

Q. Was he the one particularly connected with the development of this building?

A. Yes, sir.

Q. Who is the chief architect?

A. George White.

Q. Who had the most to do with this particular building?

A. Mr. Williams.

HON. MR. CAMPBELL: I might say that Mr. Williams was formerly connected with the Department of Health, and then the two departments were merged, and in regard to institutions and buildings, Mr. Williams has been mainly connected with that work in the past, and continues so to be.

MR. DREW: Mr. Williams is one who deals mainly with mental institutions and buildings of that kind?

A. Yes, sir.

Q. Well now, I noticed yesterday when I asked you how you proceeded with the decision or whether you proceeded to reach a decision in this case, you gave this answer, at page 61:

"A. The architect and the assistant architect of the Department of Public Works—Mr. Williams is assistant architect for the Department of Public Works now; he used to be in charge of the Architectural Department of the Department of Health—and has been in the service of the Government in that capacity I believe for around four years,—"

HON. MR. CAMPBELL: That should be twenty-four years; it is "twenty-four years" Mr. McAllister said.

HON. MR. CONANT: What page is that?

MR. DREW: Page 61. It should read, "For around twenty-four years." Perhaps the copies might be corrected. It is a typographical error.

This goes on to say:

"After the advent of this administration, the Architectural Department of the Department of Health was joined up with the Department of Public Works, and the location of a hospital and the layout of the institution as well, and the layout of the individual buildings has all been carried out under the supervision of Mr. Williams. He has given quite a lot of study to the whole question."

I think it is fair to say that Mr. Williams is a highly regarded architect?

A. Yes.

HON. MR. CAMPBELL: The best in Canada. His services are requested even by other countries.

MR. DREW: Q. As you are under oath, Mr. McAllister, you will agree with the Minister that Mr. Williams is the best in Canada?

A. One of the best at least.

Q. Then why was it necessary to engage an outside architect?

A. To develop the layout as prepared by Mr. Williams. It was beyond the architectural staff of our department to prepare plans of all the hospitals which we had under way at that time.

Q. Who was engaged as the outside architect in this case?

A. At St. Thomas?

Q. Yes?

A. W. L. Sommerville.

Q. And what arrangements were made with him with regard to that?

A. There was a certain contract entered into with him, which outlined the work he was to do, and the fee he was to be paid.



Q. Have you the contract?

A. Yes, sir.

Q. Will you produce it please?

A. Yes. (Document handed to Colonel Drew.)

Q. Now, Mr. McAllister, at what time did it become apparent that the architects working under Mr. Williams in your department would not be able to handle this, because they were so busy?

A. It was the amount of work involved they would not be able to handle. I did not mean they were not competent, but it would take such a large staff. We had four hospitals under way at that time, upon which we were starting construction.

Q. Well, can you tell me just at what time it was decided it would be necessary to engage an outside architect?

A. When it was decided to proceed with this programme.

Q. And when was that?

A. I believe early in the spring of 1937—or the summer.

Q. So in the spring of 1937 the decision had been reached to engage an outside architect?

A. Yes, sir.

Q. I am now reading from this agreement between the Department of Public Works, and W. L. Sommerville of the City of Toronto, which is dated the 28th day of June, 1937, which recites that:

“Whereas the Minister proposes to erect at the City of St. Thomas, in the County of Elgin, a hospital for the treatment of mental diseases, and the parties hereto have agreed that the party of the Second Part shall be engaged as associate architect with the Provincial Architect in connection therewith upon the terms hereinafter set forth:

“Now, this agreement witnesseth that for the consideration herein contained the parties hereto hereby covenant, promise and agree as follows:

1. The Minister shall pay the associate architect a fee of  $3\frac{1}{2}$  per centum on the cost of the buildings and other work, including the general trade, and the mechanical trades, including plumbing, heating, and wiring, as follows:

1. Administration building.
2. Reception Building.
3. Hospital building.

4. One Infirm Patients' building (male).
5. One Patients' Pavilion (male).
6. One Disturbed Patients' building (male).
7. Dining Hall and Kitchen building.
8. Amusement hall.
9. Connecting corridor.
10. Nurses' residence.
11. Superintendent's house.
12. Lodge building for internes.
13. Boundary wall, gates and railings of main entrance.
14. Landscape plans, on a limited expenditure, not to exceed \$25,000.00.

"A fee of one and three-quarters per centum ( $1\frac{3}{4}\%$ ) on the cost of the following buildings:

1. One Infirm Patients' building (female).
2. One Patients' Pavilion (female).
3. One Disturbed Patients' building (female).

"A fee of three per centum ( $3\%$ ) on the costs of the following buildings:

1. Power House building.
2. Laundry building.
3. Industrial Group, including workshops for painters, carpenters and other mechanics."

Have you an estimate of what the fees will be in connection with that contract?

A. No, I have not.

Q. It seems to me merely a matter of arithmetic. You can work it out. Can you give the total cost of the buildings under the first group, on which he received a fee of three and one-half per cent ( $3\frac{1}{2}\%$ )?

A. I could give it to you, but not immediately. The estimated amount to pay Mr. Sommerville would be around \$130,000.00.

Q. The estimated amount you will pay him, or have paid him?

A. Will pay him. That does not cover just the buildings we have in this initial agreement; it will cover practically the whole institution, as it will be completed, because while we pay him three and one-half per cent on one pavilion, that is duplicated several times.

HON. MR. CONANT: Q. You only pay it on one unit?

A. Yes.

MR. STRACHAN: Q. What is the usual fee?

A. Seven per cent, I believe, covering the preparations and plans and supervision.

MR. DREW: Q. How much.

A. Seven per cent.

Q. But in this case, Mr. McAllister, you have said—the Minister made the statement that Mr. Williams was the best architect in Canada; you would not go quite that far; but you said he was one of the best—if that is the case, why was it necessary to bring in an outside architect, and pay him \$130,000.00 to assist in the preparation of plans, and so forth.

A. Mr. Williams, as I said, yesterday, prepared the layout of the whole institution, and the layout of the individual buildings, but all that had to be co-ordinated and developed in order to get the detailed plans, in order to carry out the construction of the whole unit, and the writing of the specifications.

MR. STRACHAN: Q. That included the writing of the specifications?

A. Yes.

MR. DREW: Q. Are not the architects in your department quite competent—

A. Yes, but it is beyond their capacity to do more than that.

Q. Would it not have been a very easy thing, since you have a man here described by the Minister as “the best in Canada,” and by yourself as “one of the best in Canada”—would it not have been a very sound thing to have engaged other assistant architects under the highly qualified man, a man, mind you, I agree is extremely highly qualified—would it not have been wise to have engaged other assistant architects? You could have engaged quite a number of architects for \$130,000.00?

A. Mr. Williams did direct the building of this. Mr. Somerville co-ordinated the sketches and plans—the preliminary plans made by Mr. Williams, and went into all the details.

HON. MR. MACAULAY: Q. Mr. McAllister, under the contract, Mr.

Williams does all the supervising, engages the superintendent, and all the supervising; all that was removed from Mr. Somerville's work, was it not?

A. No, not at all. We did our own supervising, with our own staff.

Q. Sure, so that Mr. Somerville, when you are paying him three and one-half per cent, was not be paid for any supervision?

A. No.

HON. MR. CAMPBELL: If he were doing it all, he would have received seven per cent, which is the usual fee.

THE WITNESS: It was proper proportionate fee for the work Mr. Somerville did.

HON. MR. CAMPBELL: We would have had to hire a large number of architects, and it is rather difficult to get good architects—

HON. MR. MACAULAY: Oh, the woods are full of them right now.

HON. MR. CAMPBELL: No, it is not so easy as that.

MR. DREW: Mr. Chairman, the Minister seems to be a little concerned—

HON. MR. CAMPBELL: I am simply trying to help you out, because you are apparently not understanding this situation.

MR. DREW: I think I understand it perfectly well.

HON. MR. CAMPBELL: I do not think you do.

MR. DREW: The contract is quite clear.

HON. MR. CAMPBELL: What happens when you engage an architect? You do not engage himself alone; you engage his whole staff, and we engaged a lot of architects when we engaged Mr. Somerville. It is the same as when you engage a legal firm or an engineering firm—

MR. DREW: But you are paying a fee of \$130,000.00.

Mr. Chairman, that is one point I must make; after all, I do expect and do not object to a cross-fire of informal questions, but I think that any answers which are to be given, and which are going on the record, should come from the witness, and not from anybody else.

MR. DREW: Q. Mr. McAllister, in this particular case, I see throughout the agreement that the Minister retains full control, and that the actual supervision is still in your department, is it not?

A. Yes.



Q. So there is no use comparing ordinary architectural fees, where the whole supervision and control is under the architect; he is only called in as an associate architect under this contract as far as I can see from reading it quickly, as associate in what you have yourself described as "co-ordination of the plans already prepared by—"

A. Not plans, Colonel Drew. I said, "preliminary plans," that is, the layout of the whole institution, and then the layout of the individual buildings.

The fee that was paid Mr. Somerville was quite proper, according to the scale of the architects, and as approved by the Association of Architects of Ontario, as it was worked out.

Q. What part is Mr. Somerville actually taking at the moment in connection with the work?

A. His duties extend to the full construction of this institution. That is, he takes the layout plans prepared by our own architects, and develops them. He prepares the detailed plans and specifications ready for tenders. He is on call at any time, to make any further detailed plan we require to elucidate any part of the construction.

MR. FROST: Q. Mr. McAllister, as regards the architect's fees there—for instance, there is three and one-half per cent on certain buildings?

A. Yes.

Q. In regard to the other buildings, do I gather from the contract, that it is one and three-quarters per cent on other similar buildings?

A. That is right.

Q. And then here is three per cent on another class of buildings?

A. Where there is no duplication of buildings, we pay him three per cent. Where there is duplication, he will draw one plan for one fee, and that building will be duplicated several times.

Q. Do you pay him anything on the duplication?

A. One and three-quarters per cent.

Q. How do you arrive at a figure of \$130,000.00 on the whole contract of \$11,000,000.00? That is less than—it is around about 1%?—

HON. MR. MACAULAY: It is about 1%.

MR. FROST: Q. It would seem to me your minimum is one and three-quarters per cent, and it runs up as high as three per cent; surely your computation would be higher than \$130,000.00?

A. There are quite a number of buildings Mr. Somerville has not prepared plans for yet.

Q. You said that \$130,000.00 was the ultimate amount he would get?

A. Yes.

Q. That is what made me wonder about that, how you arrived at that figure; that is only about one per cent on approximately \$11,000,000.00?

A. I think I was misinformed. I gave you the wrong information. That \$130,000.00 covers the fees on the present construction.

HON. MR. MACAULAY: Q. That is only on \$5,000,000 worth of work?

A. Approximately that, yes.

MR. DREW: Q. So that on the same basis on the completed contract, the fee would be over \$260,000.00?

A. No.

Q. Why not?

A. There are six pavilions to be built there,—the patients' pavilions that there will be no fee paid for on them, because the plans have already been prepared, and we will use them, without paying him any further fee.

Q. Outside of these, there would be a fee?

A. Yes, for any other building.

Q. For any other building?

A. Yes.

Q. Those private buildings cost about \$22,000.00 apiece, do they not, according to the tenders?

A. You mean the six buildings?

Q. Each, yes?

A. We figured it out yesterday at one and three-quarters millions of dollars.

Q. No, just a moment; there are twelve patients' pavilions in the plan?

A. Yes.

Q. Six of them have been built?

A. Yes.

Q. And you say now that on the remaining six, there would be no fee paid?

A. No.

Q. And you say they cost between \$22,000.00 and \$24,000.00 each—

SEVERAL HON. MEMBERS: No, no.

MR. STRACHAN: No, \$1,000,000.00—

THE WITNESS: \$1,750,000.00 is the estimated cost.

MR. DREW: Q. With everything in them.

A. Yes.

HON. MR. LEDUC: I think you are speaking of the plumbing contract, Colonel Drew?

MR. DREW: Oh yes, you are quite right.

MR. DREW: Q. The total would be estimated at about what—one and three-quarter millions of dollars?

Q. For the further six pavilions?

A. Yes.

MR. FROST: Wait a minute; you have an assembly hall to build; he gets three per cent on the assembly hall.

MR. DREW: Just a minute, please.

MR. DREW: Q. What you have said is that on all the other buildings he would get a fee other than for these patients' pavilions?

A. If we decide to still continue employing Mr. Somerville. Under that agreement we do not have to have to employ him. If there should be a slackness of work in the department, we might undertake the completion ourselves.

MR. DREW: Q. But under this contract cannot he enforce payment in regard to the balance?

A. No, we can terminate it at any time we like.

HON. MR. MACAULAY: You should have terminated it before you started it.

MR. DREW: Q. If you carried on under this contract there would be fees paid on all the buildings except the pavilions?

A. No, we could clean up that contract at any time with Somerville.

Q. So long as you continue under this contract -you would pay fees on all buildings other than the patients' pavilions?

A. On further buildings not already designed.

Q. Of the remaining six million approximately that it will cost, according to your estimates, for the remaining buildings, all that would come out would be one and three-quarter millions?

A. It is the remaining five millions, is it not?

Q. No, your estimate puts it at eleven million, two hundred and some odd thousand—

A. I said yesterday that the amount of the contracts awarded, or at least, the cost of the present unit would be six million, four hundred thousand dollars approximately. Take that from eleven million, and it leaves four million, six hundred thousand for the proper cost of future extensions.

Q. There are some fees to be paid on this, there would be fees to be paid on somewhere between two and one-quarter and two and one-half million dollars, would there not?

A. Yes, around there.

Q. So, roughly, there would be at least another sixty or seventy thousand dollars in fees to be paid on the remaining buildings, would there not—

A. Yes.

Q. That would be the minimum, so that you have got this, that fees under this contract, so long as the contract remains, would amount to around one hundred and ninety or two hundred thousand dollars, is that not right?

A. Well, it might be a fair estimate.

Q. You say that around one hundred and ninety or two hundred thousand dollars would be a fair estimate under this contract?

A. It would require a little more detailing out—

HON. MR. MACAULAY: I suggest that Mr. McAllister prepares a written estimate for us showing what you compute the architect's remuneration will be.

HON. MR. MACAULAY: Q. May I ask a question on that point: Section 13 of the agreement provides—you have just said you can end the engagement at any time without notice, and then his fees terminate, but that is not the fact. If you read Section 13, it is as follows:

"Should this agreement be terminated by the Minister at any time, any fee due to the Associate Architect for any authorized drawings completed"—

and here is the stick in it—

"or uncompleted, shall be computed by the Provincial Architect upon the basis of the terms of this contract."



If you paid that contract to-day, you would still have to pay Mr. Somerville for uncompleted drawings on the basis of this contract?

A. No, I do not think so. If we ordered Mr. Somerville to proceed with the plans for a certain building, and then we change our mind, and say, "We will cut this contract off," we would only pay Mr. Somerville on a proportionate fee for the work that he did.

Q. It does not say so.

THE CHAIRMAN: That is a legal matter which I do not think this witness is qualified to answer.

HON. MR. CAMPBELL: Q. How many years do you figure it will take to complete the plans?

A. Do you mean to finish the construction?

Q. Yes?

A. We could probably complete the whole thing in a matter of another two or two and a half years if we decided to do that.

Q. Then that means that this tremendous fee will be covered over a period of three or four years?

A. It will be longer than that, because he started in 1937.

Q. It will be about five years?

A. Yes.

HON. MR. CONANT: Q. How big a staff will it take for Mr. Somerville to develop these pavilions?

A. I could not answer that.

Q. You would have some idea. Would it be one year, or two years, or ten years? I think we will ask Mr. Somerville to come here. That will be the simplest way.

Q. Now, Mr. McAllister, do you know whether Mr. Somerville was consulted at the time the decision was reached as to the type of building and its location?

A. Mr. Williams was responsible for the layout of the institution and the type of building.

Q. So that the layout of the institution and the type of building had been decided on before Mr. Somerville was consulted?

A. Yes.

Q. That is definite?

A. Yes.

Q. Will you go so far as to say that the whole character of the building, as to whether it was to be stone or stucco, and the size of the buildings, and the groupings, and so on, had been determined before the time Mr. Somerville came in?

A. No, I just said the layout.

Q. What do you define as the layout?

A. Well, the association of the different buildings, forming the whole institution, and the layout of the rooms within the building that we were designing.

Q. You must have had a plan of the buildings in detail, and the plan would also have to consider the type of structure before they could determine the shape of the rooms, would it not?

A. No, not necessarily.

Q. Do you mean to say an architect has prepared plans for alternative brick or stone or stucco construction without knowing what it is going to be?

A. The plan of the building—which I mean by the layout—does not take into consideration the construction of the exterior walls.

Q. Have you the original layout there?

A. Well, I presume the architect has several preliminary sketches which he drew up at different times, trying to work this thing out so as to get the proper layout.

Q. After all, I am speaking to you now as the Deputy Minister of Public Works, and you have described yourself as an engineer. You are a qualified engineer; you are a graduate engineer, are you?

A. I am not a graduate. I took a special course in engineering, and I have had twenty-eight years' experience.

Q. Where did you take that course?

A. At Queen's University.

Q. As a matter of record, what was the name of that course?

A. Civil engineering.

Q. For how long?

A. I spent there one term.

Q. How much?

A. One term.

Q. Would that be two or three months?

A. No, in 1911 and 1912.

Q. You mean a school year?

A. Yes, a school year.

Q. You took a one-year special course in what—construction engineering?

A. Yes, I took railway construction, and drafting, and hydraulics, and railway engineering.

MR. STRACHAN: Q. You were employed by the Federal Government?

A. Yes.

Q. In what capacity?

A. As assistant to the district engineer in the Department of Public Works at Port Arthur.

Q. For how long?

A. Six years.

MR. DREW: Q. That was before you went into the contracting business, was it?

A. Yes.

Q. I am speaking to you with that expert knowledge. You have told us that a decision was reached to go ahead with this on the basis of the layout prepared by Mr. Williams. At the time the decision was reached, did those who made the decision have before them an estimate of the cost and detailed plans?

A. They would require an estimate of the cost. The architects know about how much per bed the institutions are going to cost. They can work it out on that basis approximately. They would know the size of the institution they intended to build, and base it on a bed cost. They have several other institutions in Canada and in the United States to base that on.

Q. Do you mean to say in reaching the decision on a building that is going to cost in excess of eleven millions of dollars that they would not have an accurate cost estimate before them in reaching a decision?

A. I think the decision was based on the necessity of building the hospital.

Q. Yes, I know, but assuming that one reaches the point that there must be a hospital, then you also—after all, you cannot say, well, there is going to be a hospital, no matter whether it costs five millions or fifty millions. Would not those who make the decision have before them a clear estimate of the cost of the building if they adopt one type of construction and the cost of the building if they adopt another type of construction?

A. You would determine first that you were going to build a hospital, and then you decide on the population the hospital is to contain, and arrive at an approximate cost there. All the further details would develop from that point.

Q. I know, but you are not suggesting that someone would simply say, We are going to put a mental hospital near St. Thomas, and let us go ahead?

A. Not at all.

Q. What would be before them to reach the decision when the decision was finally reached to proceed with the hospital?

A. Well, you would have to decide you needed the hospital, and to determine what part of the province the hospital should be located.

Q. Would the first step be a recommendation from the Department of Health that they needed a hospital?

A. Yes.

Q. You would not have that recommendation?

A. No.

Q. Having received a recommendation from the Department of Health that they needed a hospital, what would determine the location of the hospital?

A. Well, that would be a matter that the Department of Health would determine, just where the requirements were—where it would require to be built, in co-operation with our own architects.

Q. Were you consulted for instance in regard to the wisdom of developing the ground or developing the Ontario Hospital at London instead of making a new one at St. Thomas? I am only taking London as an example?

A. Yes, we gave it very clear consideration.

Q. Did you decide it would not be wise to utilize the land already owned at London for that purpose?

A. That is right.



Q. As I understand it, the area owned by the Ontario Hospital at London to-day is very considerably in excess of the amount of land owned at St. Thomas by the Ontario Hospital there?

A. Yes, that is so. We have not acquired enough land at St. Thomas yet.

Q. You will need more land?

A. Yes.

Q. How much?

A. That is a matter to be determined.

HON. MR. MACAULAY: Q. Did you put your recommendation as to the relative merits of London and St. Thomas in writing?

A. Who to?

Q. To whoever you gave it to?

A. Naturally, the decisions are made within the Department.

Q. You say you made the recommendation recommending this site rather than proceeding to develop—

MR. STRACHAN: No, he did not say that.

THE WITNESS: I said a decision was arrived at among the departmental executives in regard to it.

HON. MR. MACAULAY: I think you said you were asked as to your views as to that, and gave a recommendation?

THE CHAIRMAN: Ask him whether he did or not.

HON. MR. MACAULAY: I will ask the reporter to read the question and answer. That is the quickest way to find out.

Reporter reads as follows:

"Were you consulted for instance in regard to the wisdom of developing the ground or developing the Ontario Hospital at London instead of making a new one at St. Thomas? I am only taking London as an example?

"A. Yes, we gave it very clear consideration."

HON. MR. MACAULAY: Q. You were consulted about developing at St. Thomas rather than at London?

A. It was treated as a departmental question.

Q. In any recommendations you made did you put them in writing?

A. Any recommendation, if I did make any, would be made on the advice of the architectural department.

Q. Are they available in the records of the Department?

A. When I say I made a recommendation, I would not—I think that probably is not correct—I do not remember making any recommendation. It was a decision arrived at after full consultation of the different officers of the Department.

Q. What did you contribute to the decision?

A. Whatever knowledge I had.

Q. Did you contribute it verbally or in writing?

A. No, it would be verbally; we were discussing it verbally.

Q. Was there anything put in writing by you—any recommendation?

A. At what time?

Q. At any time?

A. I cannot recall that I ever made any written report in regard to it. We have had plenty of reports made in which we substantiated our decision, and independent commissions had been appointed to inquire into London and other hospitals.

Q. What commissions?

A. There was the Ross Commission in 1930, was one, and there was another report made by Doctor Hamilton, and we had an architect make an examination of London—at least two architects made a very thorough examination of London to determine the possibility of reconstructing London.

Q. Who were they?

A. Mr. Dolphin and Mr. James Craig.

Q. Outside architects, were they?

A. Yes.

Q. What did they recommend?

A. They recommended that London be not continued.

Q. Are their reports in writing in the department?

A. Yes.

Q. Will you bring them with you next day?

A. Yes.

Q. What did the Ross Commission recommend with respect to London?

A. They recommended its abandonment, I believe. I think that is the words they used.

Q. Where did they recommend that the buildings be located?

A. I do not know as they made any recommendation—you mean where an institution to replace London would be located?

Q. Yes?

A. I do not know that they dealt with that.

MR. FROST: Q. Why would they not use the five hundred acres they had in London, Mr. McAllister?

A. We did not think that the site was a good place to spend a lot of money in trying to rehabilitate that institution. It was seventy years old.

HON. MR. MACAULAY: Q. Did you not ask Doctor Hamilton to make up a report?

A. I did not ask him, no.

Q. Well, who did?

A. I believe it was at the request of Doctor Faulkner who was Minister of Health at the time.

Q. What did he recommend?

A. I think he recommended that certain buildings, new buildings, be built, or that certain of the old buildings be renovated or reconstructed, but he was a doctor, and we did not agree with that view.

Q. Will you bring his report for to-morrow, too?

A. Yes.

MR. DREW: Q. Are none of the buildings at London buildings that could be continued in use in a hospital unit?

A. Not for the economical carrying out of the duties of a mental hospital, no.

HON. MR. MACAULAY: Q. So that ultimately you intend to abandon the London institution as a Provincial mental hospital?

A. That has been the opinion for a good many years.

HON. MR. NIXON: That is not a fair question. After all, it is a matter of Government policy.

HON. MR. MACAULAY: He said it has been determined.

HON. MR. NIXON: There was no such determination.

HON. MR. MACAULAY: My honourable friend is stopping me again to prevent a perfectly fair question being put.

THE CHAIRMAN: I do not think that this man can say whether or not the Government in future are going to abandon London or not. He simply tells you what his views are, and he has already told us that.

MR. DREW: I understood him to say that it had been decided that London would be abandoned.

HON. MR. NIXON: He said that he recommended it.

HON. MR. MACAULAY: It is what has been decided I am asking about.

THE CHAIRMAN: I am going to rule that this witness should not answer any question as to whether London should be abandoned by the Government or not. Read the question.

Reporter reads as follows:

"Q. What did he recommend?

"A. I think he recommended that certain buildings, new buildings, be built, or that certain of the old buildings be renovated or reconstructed, but he was a doctor, and we did not agree with that view.

"Q. Will you bring his report for to-morrow, too?

"A. Yes.

"MR. DREW: Q. Are none of the buildings at London buildings that could be continued in use in a hospital unit?

"A. Not for the economical carrying out of the duties of a mental hospital, no.

"HON. MR. MACAULAY: Q. So that ultimately you intend to abandon the London institution as a Provincial mental hospital?"

HON. MR. NIXON: Yes, that is the question I am asking you to rule on.

THE CHAIRMAN: That is a question I rule he should not answer.



HON. MR. MACAULAY: I think it should be answered.

HON. MR. NIXON: If you want to reframe it and ask if he recommended that it be abandoned, that is all right.

HON. MR. MACAULAY: Q. Have you recommended that the London buildings be abandoned as a mental institution.

A. Yes, I have.

Q. And has any decision been made by the department?

A. Not yet.

HON. MR. CAMPBELL: The department does not render these decisions; we are only the building department, and whatever the Government policy decides—

HON. MR. MACAULAY: The Health Department would have to advise us on that.

THE CHAIRMAN: It is about twenty-five minutes to one. I think we had agreed that we would adjourn at 12.30, and we started quite late to-day, but I understand some of the ministers want an adjournment at this time. What time to-morrow is it the wish of the Committee that we convene?

MR. STRACHAN: I would suggest that we get as early a start as possible to-morrow.

THE CHAIRMAN: Is it the wish of the Committee that we reconvene at 9.30 to-morrow morning?

MR. DREW: Ten o'clock would be more convenient.

THE CHAIRMAN: Very well, we will adjourn to ten o'clock to-morrow morning.

HON. MR. MACAULAY: Before we adjourn, I want to put in a resolution that we call Mr. Chester S. Walters. I want to examine him on the financial structure of the Province.

THE CHAIRMAN: Moved by Hon. Mr. Macaulay, and seconded by Mr. Welsh,

That Chester S. Walters, Controller of Revenue of the Province, be summoned to appear before the Public Accounts Committee at the next session thereof to give evidence with reference to the statement of Gross Ordinary Revenue, Gross Ordinary Expenditure, Gross Capital Receipts, Gross Capital Payments for the Fiscal Years ending March 31, 1939, and March 31, 1940. And to produce before the Committee all documents, books and memoranda relating thereto.

HON. MR. NIXON: No, that is unthinkable to go into 1940 in the Public Accounts Committee.

THE CHAIRMAN: Is it the wish of the Committee that this carry or otherwise? It is open for discussion.

HON. MR. NIXON: This has never been a Committee to inquire into estimates. It will be before the House in a few days, and that is the place.

MR. STRACHAN: I think we had a ruling the last time this Committee met that we should only go into the Public Accounts.

HON. MR. MACAULAY: Just a moment. This motion deals not with the estimates for the next year; they are dealing with the statements that were filed and read in the House, and you will find them in the Journals and Proceedings of the House, by the Prime Minister, as treasurer, when he spoke the other day. If we cannot get them this way, how can we? They are the figures as to the gross debt and gross expenditure for the year that has just terminated, and this is the only way we can get them.

HON. MR. NIXON: This says, 1940.

THE CHAIRMAN: I will read it again. I read it kind of quickly.

"That Chester S. Walters, Controller of Revenue of the Province, be summoned to appear before the Public Accounts Committee at the next session thereof to give evidence with reference to the statement of Gross Ordinary Revenue, Gross Ordinary Expenditure, Gross Capital Receipts, Gross Capital Payments for the Fiscal Years ending March 31st, 1939, and March 31st, 1940. And to produce before the Committee all documents, books and memoranda relating thereto."

HON. MR. NIXON: If that is not estimates, I do not know what it is.

HON. MR. MACAULAY: My honourable friend is right on that. The year should be March 31st, 1938. That is the Public Accounts, and the other one is March 31st, 1939, the one that is filed by the Premier.

THE CHAIRMAN: Make an amendment, and I will read it again.

Now, gentlemen, the amended motion is the same as the other except it is for the fiscal years of March 31st, 1938, and March 31st, 1939. What is the wish of the Committee?

HON. MR. HIPEL: Well, Mr. Chairman, bringing that up to the end of the fiscal year of March 31st, 1939, I think should be ruled out, because the books are kept open for expenditures until the 20th, and it is not a complete statement—

THE CHAIRMAN: The 20th of what?

HON. MR. HIPEL: The 20th of April. There will be figures read into the records here when the actual Public Accounts are printed, which may be some-

what changed, and then, well, you can expect the rest. I certainly could not vote for that.

HON. MR. NIXON: I move an amendment that it be limited to the date of March 31st, 1938. The only things that this Committee can inquire into are the Public Accounts read in the paper here (indicating).

HON. MR. MACAULAY: That is not true.

MR. LAMPORT: That has been printed.

HON. MR. MACAULAY: We are entitled, Mr. Chairman, to look into the expenditures and receipts for the year ending March 31st, 1939.

MR. LAMPORT: Those are printed.

MR. MACAULAY: We do not have to wait until they are printed. We can ask the Provincial Treasurer to come down here with his books. That is what we intend to do.

THE CHAIRMAN: We have an amendment. Is there a seconder to Mr. Nixon's amendment?

HON. MR. HIPEL: I second it.

THE CHAIRMAN: The amendment will read:

That Chester S. Walters, Controller of Revenue of the Province, be summoned to appear before the Public Accounts Committee at the next session thereof to give evidence with reference to the statement of Gross Ordinary Revenue, Gross Ordinary Expenditure, Gross Capital Receipts, Gross Capital Payments for the Fiscal Years ending March 31st, 1938, and March 31st, 1939. And to produce before the Committee all documents, books and memoranda relating thereto.

HON. MR. MACAULAY: Mr. Chairman, are you not going to give me an opportunity to discuss the amendment?

THE CHAIRMAN: Very well.

HON. MR. MACAULAY: I think this is a gag rule of the worst kind. This is the first time this has ever been attempted in the Public Accounts Committee of this House.

HON. MR. NIXON: When my honourable friend was in the Government, you took that attitude every year.

HON. MR. MACAULAY: Not at all. My honourable friend, when he was a private member, went back four or five years, in the Department of Highways, and we made no objection to carrying it down to the day we sat, on matters that were then current. Chester Walters is well able to take care of himself. He is one of the brightest fellows around this building.

HON. MR. NIXON: He could handle himself before you or anybody else.

HON. MR. MAULAY: Then what are you afraid of?

HON. MR. NIXON: Nothing, but I say if this Committee is going into the current year that it should have the permission of the House to do so.

MR. KIDD: Here we are three weeks after the end of the fiscal year ending on March 31st, and a lot of people in this Province know the day was set back from October to March 31st. When can we get the Public Accounts of last year?—to-morrow or the day after?

MR. LAMPORT: When it is possible to get them.

HON. MR. NIXON: The year has not been completed yet.

MR. LAMPORT: It will take months to get them.

MR. KIDD: No, the Public Accounts end March 31st. When can they be produced? I will ask the Provincial Secretary

HON. MR. NIXON: We are still paying bills that were incurred last year.

MR. KIDD: Can they be produced to-morrow?

HON. MR. NIXON: No, they will be produced about September or October.

MR. KIDD: I do not mean the printed blue book. When can you produce them?—the day after to-morrow? There is no reason why Chester Walters should come here to give that evidence.

HON. MR. NIXON: Well, you have my amendment. I will leave it at that.

HON. MR. HIPEL: The member for South York (Hon. Mr. Macaulay) made the statement that when I was a private member the Public Accounts opened the books back for four years.

HON. MR. MACAULAY: Yes, we went back on expenditures.

HON. MR. HIPEL: Now, just a minute. I will produce the records of the House to show that it was confined to a one year. All that I asked for at that time was a contract which covered a period of two or three years, and that was to be reopened, and that was refused, and I will bring the records to-morrow to show it.

THE CHAIRMAN: You will have an opportunity to do that. Is there any more discussion on this amendment?

MR. KIDD: Yes, I would like to say if the Government refuses this motion, let the press and the people know—

HON. MR. NIXON: Now, Mr. Chairman, that is pretty cheap. That is



just about what we would expect from long experience with my honourable friend. If the House wants to direct this Committee to go into the current year's expenses, it is O.K. with me, but that is where this resolution should be presented.

MR. FROST: Take expenditures that were made, say, in April, 1938, and May, and so on, are all those going to be barred from here?

HON. MR. NIXON: Not if the House asks it. Move your amendment in the House.

MR. FROST: Are we going to be limited in our inquiry in this Committee to expenditures which terminated on the 31st of March, 1938, nearly thirteen months ago? That means that the oldest of these expenditures will go back nearly twenty-seven months. I can quite understand that the Government might object to producing records say for the month of March, 1939, or something of that sort, but surely they cannot object to producing records say up to the beginning of January, 1939.

MR. LAMPORT: We are not objecting if you do it in the proper place.

MR. CHALLIES: Mr. Chairman, let us see the position we are in. The only Public Accounts that the people of the Province of Ontario of their elected representatives have end on the 31st of March, 1938. Last year we approved of expenditures of ten millions of dollars and in this Committee of Public Accounts, they said, you could not investigate one nickel of it. That money has been voted and has been spent, and the people of the Province of Ontario do not know one nickel of the details of that. We are into another year, and we are asked to spend 103 millions of dollars—the largest expenditure in the history of this Province—and as far as the estimates are concerned, we know very little about them. It seems to me that the people of this Province—

HON. MR. NIXON: Mr. Chairman, I rise to a point of order. I submit that the discussion is entirely out of order before you as Chairman of this Committee, and that they should take this on the floor of the Legislature, and I ask you for a ruling.

MR. DREW: Mr. Chairman, let me interpolate there. It must be a new procedure when because of the astonishing self-sufficiency of the Provincial Secretary, he says so and that ends the discussion.

HON. MR. NIXON: I am not saying so. I am asking the Chairman to rule on it.

MR. CHALLIES: I will give you an example of what we are up against in this House. About the 24th of March, the Provincial Secretary presented a reformatories report dated the 31st of March, 1939, and I examined it, and in it there was a "dummy" dated December, 1937.

HON. MR. NIXON: Do you want to discuss that here? Did you, as Provincial Secretary, ever present what you call a "dummy" in the Legislature? Will you answer that question?

SEVERAL HON. MEMBERS: Answer the question.

MR. CHALLIES: I am making a statement here.

THE CHAIRMAN: Order.

HON. MR. NIXON: That was brought up before, and I told your former leader that the "dummies" were sitting behind him.

THE CHAIRMAN: The way I understand it is that it is the privilege of the Opposition to call a meeting of this Public Accounts Committee every Session, if they wish, and I cannot see anything very unfair when Mr. Challies says they have not an opportunity. They can call a meeting of this Committee next year and go into the previous year's expenditures.

MR. FROST: When they are stale and when they are old.

THE CHAIRMAN: I am going to put the amendment to the Committee—

MR. CHALLIES: Let me finish. I have the floor.

THE CHAIRMAN: You were making a speech on something that was irrelevant.

HON. MR. NIXON: Whether we should change the fiscal year or not is a matter of Government policy. I am asking you to rule that it is out of order here.

MR. CHALLIES: If you rule me out of order, that is a splendid thing. We are here on a motion of a member that we discuss some items of a year that is already closed, and the ruling is that we cannot discuss it and cannot have the details of it.

MR. LAMPORT: They did not say it was closed at all. They said it was not closed yet. Do not put words in people's mouths.

MR. CHALLIES: You get up and make a statement or keep still. I draw this similarity, Mr. Chairman, to this fact, that this Government says that an incorporated company must make its returns within so many months after the end of the fiscal year or be liable for certain penalties.

HON. MR. NIXON: What are we debating?

MR. STRACHAN: We are on The Companies' Act now.

MR. CHALLIES: The only Public Accounts we can debate—

SEVERAL HON. MEMBERS: Question.

MR. CHALLIES: This is not pleasant to you people, but you will take it. I have the floor. The point is, the only accounts we can investigate, if you pass this amendment, are accounts that are from twenty-seven months to thirteen months old. That is all we can investigate.

SEVERAL HON. MEMBERS: Question.

THE CHAIRMAN: Here is the amendment. I will read the amendment, and I am going to put the amendment first.

MR. DREW: I call for a recorded vote.

THE CHAIRMAN: Colonel Drew calls for a recorded vote. All in favour of the amendment so signify.

(To Clerk of the Committee) You will read the roll.

The roll call continued down to and including the name of Mr. Newlands.

MR. MACAULAY: I object to that last vote. Mr. Newlands came in with another cluster of chaps, and I ask that his vote be struck off.

THE CHAIRMAN: I do not know that I can make any ruling that any member of this Committee can be forbidden to vote.

MR. DREW: Mr. Chairman, I think you had better give instructions to late-comers as to which way they should vote.

THE CHAIRMAN: Continue, Mr. Clerk.

Whereupon roll call was completed.

THE CLERK OF THE COMMITTEE: The amendment is carried.

MR. DREW: What is the vote?

THE CLERK OF THE COMMITTEE: Mr. Chairman, the amendment is carried 24 to 10.

THE CHAIRMAN: I declare the amendment carried, and therefore the original question is lost.

Will somebody move the adjournment?

MR. MURPHY: I move, seconded by Mr. Frost:

That Mr. R. M. Smith, Deputy Minister of Highways, be summoned to appear before this Committee at our next meeting and produce all papers, books and documents pertaining to the Gasoline Tax rebates for the fiscal year terminating March 31st, 1939.

HON. MR. NIXON: I move an amendment to that, that the fiscal year be changed to "1938."

MR. FROST: You have not anything outstanding from 1938, have you?

THE CHAIRMAN: I will read the motion again.

Moved by T. A. Murphy, and seconded by L. M. Frost:

That Mr. R. M. Smith, Deputy Minister of Highways, be summoned to appear before this Committee at our next meeting and produce all papers, books and documents pertaining to the Gasoline Tax rebates for the fiscal year terminating March 31st, 1939.

HON. MR. CAMPBELL: I think we are voting on things here and trying to make ourselves into a parliament. We are only a Committee of the House, and if, as a Committee, we are trying to exceed our own powers, I think we are making a bad departure. If the House directed us to do any of these things—I think it should be brought up there.

MR. DREW: Mr. Chairman, I would point this out, that the Public Accounts Committee is for the purpose of giving an opportunity to the members to examine the accounts which could not be done in detail in the House.

HON. MR. CAMPBELL: That may be true.

MR. DREW: Through the change of date—I am not now debating the wisdom or otherwise of that—but through the change of date, the simple fact remains that if you take the position that we cannot examine the Public Accounts since March 31st, 1938, then this becomes a burlesque. We cannot examine the accounts then to find out whether our budget is balanced, or whether the statements furnished us are correct. That is the purpose of the Public Accounts Committee, and I do not think the line should be narrowly drawn in this way. If we cannot go back beyond March 31st, 1938, then the whole thing becomes a farce.

HON. MR. CAMPBELL: Colonel Drew, may I point out that the Public Accounts Committee, as with every other committee, is set up under certain rules of the House. We have no power as a committee to change any of our duties. Parliament has the power to direct this Committee to do as it sees fit. I suggest that the motion may be put there.

HON. MR. NIXON: Absolutely.

MR. ELLIOTT: That is right.

HON. MR. CAMPBELL: I do not know but what it might pass there, but we as a Committee have nothing to do with that.

MR. ELGIE: I think perhaps the Government in refusing this motion may have done so without giving it due consideration, because after all, allegations were made in the House that certain refunds were held back in order to bolster up the position of the Province, ending on March 31st, this year, and this is a chance for the Government to clear this up, and I think it would be in their interests to have this matter investigated. It is just one thing—a refund on the gasoline tax. Surely the Government will not refuse a thing like this.

HON. MR. NIXON: Mr. Chairman, it is not a question of the Government approving or otherwise of any resolution before this Committee. I say that our



activities are laid out by certain definite rules. If the Legislature wants to direct this Committee to go into expenditures and rebates for 1939, or the year ending March 31st, 1939, then we should be so instructed by the Legislature, but if we go ahead without such instructions then we are exceeding our authority.

THE CHAIRMAN: I have an amendment by Mr. Nixon and seconded by Mr. Leduc, which reads as follows:

"That Mr. R. M. Smith, Deputy Minister of Highways, be summoned to appear before this Committee at our next meeting and produce all papers, books and documents pertaining to the Gasoline Tax rebates for the fiscal year terminating March 31st, 1938."

HON. MR. NIXON: I will withdraw that. We can vote on the motion, if that is what the members want. I will vote against the motion.

MR. LAMPORT: If there are rules against this, why do we accept such a motion at all? Ask them to put the motion in the proper place. They can have the attention and get all the publicity they want in the proper place. They are trying to embarrass us by a vote, and it is very unfair.

THE CHAIRMAN: If it is the wish of this Committee that we proceed with this matter, we probably have full authority to go ahead and do it, but I am going to leave it entirely with the members of the Committee.

The amendment has been withdrawn, so I will put the motion. I have read the motion before. The motion is to have Mr. R. M. Smith, Deputy Minister of Highways, summoned to appear before this Committee at our next meeting and produce all papers, books and documents pertaining to the Gasoline Tax rebates for the fiscal year terminating March 31st, 1939. All in favour of the motion, please stand. I presume you want a recorded vote, Mr. Macaulay?

HON. MR. MACAULAY: It is not necessary.

THE CHAIRMAN: We will take a standing vote. All in favour of the motion please stand.

Several Hon. Members complied with the request of the Chairman.

THE CHAIRMAN: All against the motion please stand.

Several Hon. Members complied with the request of the Chairman.

THE CHAIRMAN: I declare the motion defeated.

It has been moved by Mr. Nixon and seconded by Mr. Leduc that this meeting now adjourn to ten o'clock to-morrow morning.

Unanimously carried.

Whereupon at 1.03 p.m. the further proceedings of this Committee adjourned until Thursday, April 20th, 1939, at ten o'clock in the forenoon.

## FOURTH SITTING

Parliament Buildings, Toronto,  
Thursday, April 20th, 1939, 10.00 a.m.

The further proceedings of this Committee reconvened pursuant to adjournment.

MR. J. M. COOPER, M.L.A., Chairman, presiding.

THE CHAIRMAN: Order, please. We will now have the roll call.

The roll called by the Secretary of the Committee.

HON. MR. HIPEL: Just before Mr. Drew questions the witness, Mr. Chairman; yesterday the member for South York (Mr. Macaulay) and myself had an argument as to the proceedings at a former Public Accounts Committee meeting. I would like to put this on the record. If you will refer to the Journals of the House of 1933, you will find in one of the motions presented, on page 8, that the Committee did go back one year. That is the accounts, and one year before that.

Now, in 1934, if you look at page 18 of the appendices, in the Journals of the Legislature, you will find in fact from pages 19 to 23—a copy of the proceedings, and on page 23 this is what Mr. Finlayson said:

“My honourable friend had the whole of last session, yet he let this stand until the end of the session. This matter was practically the only thing which was gone into. Then, for his convenience the Public Works Department said, “Come over to the Department, and look at the books and information on the files.” Now, he wants to go back three years.”

The point is that I only had two hours to go into the files in that case, from 10.00 to 12.00 o'clock one day. Then this goes on to say:

“MR. HIPEL: I beg to differ with the honourable member in some of his statements. While the Public Accounts Committee was named on the floor of the House, the Chairman was asked when it would be called, but it was not called.

“HON. MR. FINLAYSON: The Committee was called as soon as you asked for it. This Committee has no jurisdiction to go into this item.

“THE CHAIRMAN: I do not think we are getting any place in this discussion. I have looked over the motion, and there is only one item which in my opinion comes within the jurisdiction of this Committee, and that is the part relating to the Public Accounts of 1933, and my ruling would be that the rest of the resolution must be struck. Does the Committee bear me out in that decision?

“MR. IRELAND: Carried.”

That is what I said yesterday.

MR. KIDD: May I interject one word there, Mr. Chairman?

THE CHAIRMAN: Yes, certainly.

MR. KIDD: In that case, the fiscal year ended October 31st. I would like to place on record to-day that we are dealing with the Public Accounts, and the year closes March 31st. It makes a great deal of difference. Yesterday when we asked for the production of the unpaid accounts of the gasoline tax—the decision means that they will be two years old before we can deal with them next year.

THE CHAIRMAN: I do not want to provoke a discussion of a matter which has already been dealt with, but if any member is in doubt as to whether there was proper precedence for what was done here yesterday, I will refer them to May's Parliamentary Procedure, 18th Edition, at page 557, and also the Journals of this House of 1931, at page 13.

Will you proceed now, Colonel Drew.

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RAPHAEL A. McALLISTER, recalled.

MR. DREW: I do wish to make this observation, Mr. Chairman, before I begin my questioning, and that is, that I am frankly not greatly concerned with what was said or done in the past. I propose to proceed under the correct rules of this Committee, and ask for such rights as may be accorded to me by those rules, but, I am, frankly, sick and tired of hearing discussions on old matters. I propose to proceed, speaking only for my rights, and then to proceed under those rights.

THE CHAIRMAN: You are quite right, sir.

MR. DREW: I am quite sure of that.

THE CHAIRMAN: You will get them.

MR. DREW: I am not questioning your ruling at all, I am sure I will.

MR. DREW: Q. Mr. McAllister, have you had an opportunity since yesterday of considering further the amount that would be involved in this contract with the architect, Mr. Somerville?

A. Yes, I have.

Q. And what do you find to be the result?

A. Our present obligation to Mr. Somerville covers the whole of the fees to be paid on work to complete the first unit of this hospital, that is, out of a

total cost of \$6,206,000.00, Mr. Somerville's fee on that amount would come to \$127,684.88.

Q. Have you any approximate estimate now of what his fee will be on the balance?

A. Well, we were not obligated for any balance. We may not employ Mr. Somerville for any balance.

Q. Well, Mr. McAllister, that after all is something that will be decided—that has to be decided both from the point of view of the legal obligation under the contract, and also the question of departmental policy. I think, however, as far as you are concerned, the question I am now asking is; with that contract as it stands, have you estimated what the fees would be for the fulfilment of the balance of the contract?

A. No, I have not. I only estimated the amount of fees we are obligated for, under the present programme.

Q. Can you approximate that?

A. No, I would not attempt to do that.

MR. FROST: Q. I suppose it would approximate about two-thirds of the fees which are already payable? You have spent \$6,000,000.00 and there are \$4,000,000.00 still to be spent, so it would be about two-thirds of \$127,000.00?

A. No, I would not say that. There are certain adjustments. We do not pay Mr. Somerville a fee on the total cost of each building. As I explained yesterday, we built six pavilions at a cost of \$1,692,000.00 and we paid Mr. Somerville a fee on one of those pavilions of three and one-half per cent. These pavilions were divided into male and female—

Q. I recognize that, but you still have to build a building for the—what do you call it—disturbed patients?

A. Yes.

Q. Those are patients' buildings on which he would get three per cent, or three and one-half per cent?

A. Under the contract, if we told him to go ahead and design them—

Q. Yes, and then you have what I think you call a "recreation hall"?

A. Yes.

Q. That is another building upon which he gets three per cent or three and one-half per cent?

A. If he—



Q. What I am coming to is this; while you still have six pavilions on which there would be payable one and three-quarters per cent, you still have other buildings which would be buildings on which you paid him three and one-half per cent under the present arrangement, so in the end it would all even up, and you would then pay around \$80,000.00 or \$90,000.00 more.

MR. STRACHAN: If they employ him.

MR. DREW: That is what the question is premised upon.

THE WITNESS: We pay Mr. Somerville no more fees on the buildings we build of a type already built.

MR. FROST: Q. I realize that, but you still have some very important buildings which are not built at all yet—

A. There are two of them.

Q. And they are very large buildings; they are a great deal larger than the ordinary pavilion; they are large and complicated looking buildings, at least on the plan?

A. They do not accommodate many more—perhaps one-third more patients.

Q. Would you think two-thirds would be roughly fair?

A. I would not say what would be fair, because it would have to be gone into quite thoroughly.

Q. I am not trying to tie you down. I am asking for an approximate figure?

A. I would not want to give an approximate figure.

Q. Oh, you are a man of experience, and can take a good long view—

A. I am drawing your attention to this, that if we build six more pavilions, we do not pay Mr. Somerville any more fee. The cost of those is \$1,692,000.00.

Q. Of the pavilions?

A. Yes.

Q. Did you pay him anything on that?

A. We did not pay him anything on the buildings of six more pavilions, but that is practically one and three-quarter millions of dollars which would come out of any balance of the cost.

Q. I thought you paid him on one and three-quarter million dollars?

A. On buildings already built.

MR. DREW: Q. You will find that at page 135.

THE WITNESS: But, Mr. Frost, we may build buildings from this plan without paying Mr. Somerville any fee.

MR. STRACHAN: Q. You can terminate the contract without notice?

A. Yes.

MR. FROST: Q. Is the nurses' home built, Mr. McAllister?

A. It is under construction.

MR. DREW: Q. Now, Mr. McAllister, has the nurses' home been raised, one of the items brought in here from your department is that of the purchase of land. Some property has been bought for the area on which the nurses' home is to be built, has it not?

A. Yes.

Q. And that, I believe, is the property shown under the name of Edith Sanderson, is it not?

A. Yes.

Q. How many acres were brought from her?

A. Twenty-eight.

Q. And for that \$10,000 was paid?

A. Yes.

Q. Why was that land brought? The reason I ask you is because it is, as you know across the highway from the other land—a separate parcel of land. Why was that bought?

A. It was bought for the purpose of putting a nurses' home on it, also residences for the staff.

Q. Why was that not put on the land already occupied, which will not be fully taken up by the buildings?

A. It was felt that the nurses should be separated from the institution proper, and also give us control over the land, for the beautification eventually of the whole institution.

Q. Was it an advantage to have the nurses' home located between the highway and the railroad line?

A. I think it is.

Q. From the point of view of the nurses' convenience and rest?

A. Well, it is convenient for them. As far as the railway is concerned, I do not think the traffic is so heavy on that line that it would disturb them, any more than it would be across the road.

Q. Then, has anything been done on the nurses home?

A. Yes, the excavation is being taken out at the present time.

Q. And there is a subway underneath the railway?

A. We are giving consideration to that now. We do not know yet whether we will build it or not.

Q. But it has not been built as yet?

A. No.

Q. That has yet to be determined?

A. There is a tunnel carrying the heating equipment from the main building to the nurses' home—

Q. And you have under consideration a foot tunnel as well?

A. We may, yes.

Q. Would it not have been possible to have located that on the land which you already owned?

A. Yes, but other considerations influenced us in putting it across the road, and more or less keeping the nurses away from the institution proper.

Q. It was just an ordinary bit of farm land, was it not?

A. It had a considerable frontage on the highway?

Q. But it was just ordinary farm land.

A. Yes.

HON. MR. CAMPBELL: Might I say there, that we found they were subdividing it, and one building that was about to be built would certainly not have been in keeping with any Government institution, and it would certainly be better for the Province and everyone concerned to own it ourselves. One piece which had already been sold at a price of \$1,000.00 per acre sort of established the price, but we purchased it for considerably less.

MR. FROST: Q. Who paid \$1,000.00 per acre?

HON. MR. CAMPBELL: Mr. Todd.

MR. CHALLIES: What was he going to use it for?

HON. MR. CAMPBELL: To build a house on.

MR. CHALLIES: Well, if you are going to buy all the subdivided land in Ontario for \$1,000.00 an acre—

MR. DREW: Do you mean Mr. Todd bought it, after the hospital was announced?

HON. MR. CAMPBELL: That is right.

MR. DREW: Then he must have had a queer taste in the location for a new home.

HON. MR. CAMPBELL: We thought so, too.

MR. FROST: These are fine looking buildings down there.

MR. DREW: Yes, but they would dwarf any ordinary building.

MR. WELSH: At the same time, he sold the farm for \$13,000.00.

HON. MR. CAMPBELL: That is right, being right across the road from us, he bought the two acres.

MR. FROST: Where is this Todd property?

HON. MR. CAMPBELL: Right there (indicating).

MR. WELSH: Mr. Minister, probably Mr. McAllister does not know—but in connection with the other property outside of the Todd property, was it necessary to, say, pay damages to certain people for being obstructed from the highway, or sewage, or anything like that?

HON. MR. CAMPBELL: No, I don't think so. The arbitration award on the Hepburn property, I think the judge allowed something for severance there, because we only took 120 acres of a 170-acre farm and the judge in his award took that into consideration.

MR. WELSH: Naturally on these other farms—

HON. MR. CAMPBELL: On the other farms was the fact, that they had to vacate right away, and certain things of that nature.

MR. WELSH: Have you any idea, for example, say, for instance, the Mary Parrish case, just how much damages were awarded?

HON. MR. CAMPBELL: I cannot tell you in detail. None of the purchases



were made through us. We used the services of the Land Buying Department of the Department of Highways, who are very experienced in this work, and we have no special department for it, and it was upon their recommendation that we acted.

MR. WELSH: That is included in the damages?

HON. MR. CAMPBELL: Yes, that is the usual method. I think Mr. Richardson can tell you about that.

MR. ELLIOTT: It would not appear there were any damages in this case, because they paid \$10,000.00 for the property, and it was assessed for only \$8,000.00.

HON. MR. CAMPBELL: It was on the back part of the property. We did not go into it. The land is on the highway, close to the City, and is of considerable value.

MR. FROST: Why should 28 acres on one side of the road be worth \$10,000.00 and 50 acres or 100 acres on the other side of the road be only worth \$8,000.00?

HON. MR. CAMPBELL: Mr. Richardson explained that. I would say generally it is because of the frontage and the location.

MR. FROST: But all the difference is that one is on the north side of the road, and the other on the south side.

THE CHAIRMAN: Gentlemen, we are getting into a cross-fire between members. I wish you would direct your questions to the witness.

HON. MR. NIXON: We have one witness here under oath.

MR. FROST: But the Minister has taken over the functions of the witness.

THE CHAIRMAN: I understand that, but I do wish you would direct your questions to the witness who is sworn.

MR. DREW: You do not want us to ignore the Minister?

THE CHAIRMAN: No, but we can swear him later, if it is necessary or desirable.

MR. DREW: Unless there is some question by somebody else, I would think that perhaps that in view of the fact that the Deputy Minister has explained that Mr. Williams knows more about certain facts in connection with the early plans, I would suggest that we call him now, reserving to myself the right to recall the Deputy Minister afterwards, if it is found to be necessary.

MR. KIDD: May I ask one or two questions of the witness?

THE CHAIRMAN: Certainly.

MR. KIDD: Q. Mr. McAllister, in these six pavilions, how many beds are there in each pavilion?

A. 212.

Q. 212 beds per pavilion?

A. Yes.

Q. Have you ever visited the hospital at Brockville?

A. Yes.

Q. And the one at Kingston?

A. I have not been at Kingston.

Q. And the one at Cobourg?

A. I know Cobourg, yes.

Q. You know the one at Whitby?

A. Yes, casually. I have not gone through it very thoroughly.

Q. Yesterday I understood you to say that you did not recommend the one at London; that they were more or less disbanding at London—at least, that is the inference I got; in the evidence brought out by Dr. Smith, he said at Whitby there were four pavilions with 68 patients each. In your opinion, could not some of these pavilions be built at the other hospitals, say one or two at Brockville, and other places in the interests of economy?

A. It would be possible to build them; it is just a matter of whether it is economical to do those things or not.

Q. Do you think it would be economical?

A. I cannot say off hand. That is a matter of study over the whole situation, as affecting the Province.

Q. But Dr. Smith said there were four pavilions there with 68 patients in each one, of whom he had charge.

A. But, Mr. Kidd, they are of a different type.

Q. Could not a couple of these pavilions have been built at Brockville?

A. They are different type of pavilions at Whitby than we are talking about at St. Thomas. They are separate buildings there; there are several of them.

MR. ELLIOTT: Mr. McAllister, would the services at Whitby permit any further extension there?

A. I am not prepared to say.

MR. KIDD: Q. The one at Kingston would permit an extension, both heating plants went out from the main plant—

A. I would not say that. These heating plants were designed to accommodate a population contemplated at that time. If you increase the population it may mean an increased heating plant or other services. That will all have to be studied.

Q. The heating plant has been renovated in the last few years?

A. Where?

Q. At Kingston, the boilers in connection with the various wings, and the heating plant?

A. The only thing I recall with regard to the heating at Kingston was that prior to this Government coming into power, hot water was put in one wing there instead of hot air, but later on, when a more thorough study was made, it was found that the hot air system in the opposite wing could be renovated, and give service, and that was done.

Q. Do you not think there could have been a considerable saving if there were one or two or three of these pavilions built at each of these institutions?

A. I beg your pardon?

Q. Do you not think there could have been a considerable saving if there had been one or two or three of these pavilions built at each of these thirteen hospitals—or, I would not say all of the thirteen, but say six or seven out of the thirteen hospitals in the Province?

A. That is a big question. You would have to take into consideration the physical condition of the hospital, and you would also have to consider the probable life of the present hospital. It would not be economical to take a hospital which would be obsolete in 15 or 20 years, and build buildings there which would probably last for 100 years.

Q. In the interests of economy, do you not think one or two buildings could be built for dormitories only?

A. I do not think it would be economical in a long range scheme; it would not be economical over a long life—over a number of years. It might satisfy the immediate needs. That, it seems to me, would be money wasted.

MR. STRACHAN: Q. Mr. McAllister, on Tuesday my learned friend, Colonel Drew, was examining the plumbing contract awarded; do you remember, there were tenders, one by Purdy Mansell which was the lowest tender, and one by Adam Clarke, which the second lowest, and one by Eggett & Company, which was the third lowest. There was several others higher—my learned friend suggested that while Adam Clarke was the second lowest tender, he did not get part of the contract. Have you any explanation for that?

A. Later I recall I looked up a memoranda which was made at the time, and Adam Clarke was offered one building for the plumbing, and one building for the heating.

I remember telephoning Adam Clarke about that, and telling him what we proposed to do, and asked him if he wanted to take one building on the basis of the lowest price, and he refused. He felt that he could not take it at that price.

Q. That is the explanation—that he refused?

A. Yes.

Q. Now, coming back to Mr. Somerville; you say Mr. Williams made what you termed the layout plans?

A. Yes.

Q. And they were developed by Mr. Somerville?

A. Yes.

Q. Have you got some of Mr. Somerville's plans there? I want to see the work involved in that department?

A. These (indicating) are the plans prepared by Mr. Somerville, with regard to what we call the "hospital centre" or the "medical centre."

Q. Would you prefer I went into this with Mr. Williams?

A. Yes.

MR. STRACHAN: Probably it would be more convenient Mr. Chairman, if we are going to call Mr. Williams, to go into it with him, but these (indicating) are the plans he prepared.

THE CHAIRMAN: Shall we finish with Mr. McAllister first. I would suggest we do, and then call Mr. Williams in later.

MR. DREW: Q. Perhaps just one question before we finish with you, Mr. McAllister? Can you tell at the moment how many people are employed at London? Have you those figures—those who come under your department?

A. That would come under the Health Department.

MR. STRACHAN: Q. Mr. McAllister, there were a great number of contracts and tenders called for. I do not know whether it has come out, but the contracts invariably went to the lowest tender?

A. Yes.

Q. Could you give me some examples of those contracts?



A. Do you want to see the actual contracts?

Q. No, if you have notes to refresh your memory.

A. I have my own personal book here dealing with St. Thomas, which includes all the major contracts which were let, starting at the back.

Q. Take a few at random, and give the particulars.

A. There is the general contract, the first contract was awarded to Piggott & Company, Limited.

Q. I see their tender was \$1,040,000.00. That was the lowest tender. There were some six other tenders on that contract, but it went to Piggott & Company, who were the lowest tenderers?

A. That is true.

Q. What are some of the others?

A. The heating, of course, was awarded, as I explained before, between two contractors, and it was awarded at the lowest contract price.

Q. At the lowest contract price?

A. Yes, sir.

Q. Take the electrical contract. It was awarded to the Canadian Electric Company, Limited, Toronto, for \$38,773.00; then there were ten other contractors tendered, and this again went to the lowest tenderer, and at that price?

A. That is right.

Q. Water and sewer mains' contract; I see one to the Carroll Sharpe Construction Company, at a contract price of \$25,478.00; there were two other contracts received, but again it went to the lowest tenderer?

A. Yes.

Q. Without going into any more, Mr. McAllister, it is true that all of the contracts—

HON. MR. MACAULAY: Who is giving the evidence here?

MR. STRACHAN: Mr. McAllister.

MR. MACAULAY: No, he is simply saying "Yes" or "No"—

MR. STRACHAN: I will ask him if that is correct.

THE WITNESS: That is correct.

MR. STRACHAN: Q. And that is so in every contract which was awarded?

A. The lowest tender was accepted in each instance.

MR. ELLIOTT: Q. Mr. McAllister, I think you explained in the general contract awarded to Piggott & Company that the price was \$1,040,000.00?

A. Yes.

Q. And there was some suggestion about additions and extensions to the contract?

A. Yes.

Q. You explained there were several adjustments?

A. Yes.

Q. And that, in the result, there was a balance due—was there a credit due to the Province or the contractor?

A. The credit was due to the Province.

Q. In what sum? About 30,000.00?

A. I think around \$30,000.00, yes.

Q. So in the result you paid Piggott, despite the adjustment, and revision, about \$30,000.00 less than the contract price?

A. We will pay him that.

MR. DREW: Q. Subsequent to such further adjustments as there may be?

A. Yes, but the buildings are practically completed, and I think all adjustments have been made.

HON. MR. MACAULAY: Q. And, of course, those are due to the fact that you deducted certain work?

A. Yes.

Q. You asked the contractor not to do certain work, and he deducted from the price the amount or value of the work that you asked not to be done?

A. Yes.

MR. ELLIOTT: Q. There was also a change involving additional work?

A. That was the net credit. There are always adjustments to be made in any contract.

MR. DREW: Q. But there were other additions to Piggott with respect to other contracts—

A. They would be off-set there.

Q. Yes, they would be off-set?

A. Yes.

Q. But in this case there was a deduction?

A. Yes, we made the deductions.

THE CHAIRMAN: Any further questions?

MR. CHALLIES: Yes, Mr. Chairman.

THE CHAIRMAN: Very well, proceed.

MR. CHALLIES: Q. You say the general contractor was the Piggott Construction Company, Limited?

A. Yes.

Q. They have the general contract?

A. They have the general contract for the six pavilions.

Q. Do they buy all the material, and pay for that material themselves?

A. No, I might explain that.

The Dominion Government gives the Province a concession on sales taxes on direct purchases. We tried to arrange with the Dominion Government, when we took this programme up to get special consideration to relieve us from paying the sales tax on purchases made by the contractor for work done for us. We were unsuccessful in that. So, in order to get the exemption, the contractor would order the material, and he would include all expenses, including the sales tax, and the contract was awarded on that basis.

Then the contractor would ask the Department to send blanket orders, that is, blanket orders from the Department to certain firms from whom he wanted to purchase material, and when those blanket orders were sent to the firms, the contractor would issue job orders against those blanket orders for material he required.

Those purchases were made by the contractor; we did not purchase the material; the contractor purchased these materials at his own price—

Q. But in an arrangement of that kind, the Government would have to pay whoever supplied the material.

A. I am coming to that. The contractor purchased the material—

Q. Who paid for it?

A. I will explain that. The contractor purchased it, and the invoices covering those purchases came to ourselves, and we in turn sent them to the contractor, for his approval, and then they came back to us, and we deducted from the amount of his contract, and in that way we have saved. I think to date, \$135,000.00 in sales tax alone.

Q. And, of course, the Government is financing the material in the meantime?

A. It does not make any difference to us as far as the price was concerned. We saved the sales tax.

Q. The contractor would not have to furnish that much capital?

A. He could bid that much less, if he did not have to pay his finance charges.

Q. What was the unit? Was it a cubic foot of stone, or what?

A. A cubic foot of finished stone.

Q. And what is the price of that?

A. Whose price?

Q. The contract price of stone?

A. How do you mean?

Q. You say the unit price is per cubic foot of finished stone?

A. There are different ways; the price per cubic foot delivered on the job, or f.o.b.—

Q. In his contract, what is the price?

A. I do not know what he paid for the stone. We turned the stone contract over to him.

Q. You said the invoices were furnished to you?

A. Yes, but it was not a direct purchase by us.

Q. I do not know what you mean a “direct purchase”? You have no unit price for the cut stone?

A. If we looked up the invoices we paid for Piggott & Company for cut stone, we could probably determine that.



Q. Could you let us have that now?

A. I think that is a matter for Piggott. It was his purchase. We simply paid the invoices as rendered to us by Piggott.

Q. The invoices were submitted to you, and you furnished the capital for them?

A. But it was purchased by Piggott.

Q. But if the Government is paying for them—

A. We were only paying in order to save the sales tax.

Q. Well, put it another way; what is the total amount—what do you estimate the total amount of cut stone required in the building now under construction?

A. I do not know if we have prepared any particular estimate for cut stone.

Q. Surely you must know what it cost, when you decided to use stone in the building?

A. You can take a stone building of a certain size, and arrive at an approximate estimate of the cost of the building.

Q. Look, do not let us "kid" ourselves; if you are going to build a building, you will naturally say the stone will cost so much, and a frame building will cost so much more, and the difference between the two would be the advantage over stone. My question was, what is the cut stone costing for these buildings for which contracts are already let?

MR. ELLIOTT: How can the witness answer that? He explained that is a matter of purchase—

MR. CHALLIES: I am coming to that.

THE WITNESS: I think you will find in the answer to the question in the House. The total amount we are paying Piggott for the cut stone—supplying the cut stone for the six pavilions, is \$273,840.00.

MR. CHALLIES: Q. That is one of the six buildings?

A. Yes.

Q. That does not cover them all?

A. Only the six.

Q. How about the power house; is that cut stone, too?

A. Cut stone, trim, yes.

Q. Do you know what the stone would cost on that?

A. That was a purchase by Piggott. As I say, these purchases are more or less—

MR. CHALLIES: I think, Mr. Chairman, we should—

MR. CHALLIES: Q. I notice you give it on the six pavilions, the cut stone is separate; now, in the dining-hall, and so forth, the male and female infirmaries you do not separate it—

MR. CAMPBELL: We do not call for a separate contract. In that case, it was.

MR. CHALLIES: But surely somebody should know in your department when you have the stone separate in the six pavilions—somebody in the department should know what the cut stone is costing, if they were built just the same?

MR. ELLIOTT: Before this proceeds any further; there is no intention of preventing Mr. Challies from getting what information he wants, but I do question the propriety of questioning the contractor's accounts, and price paid by him. It is simply a routine matter. His contract was awarded on the lowest tender. If Mr. Challies wants to see any of the invoices, I do not think there will be any objection to that—

MR. CHALLIES: I presume there will be no objection to my going over the invoices, but when we have our own officials here, they should know, right at their finger-tip—

THE CHAIRMAN: Oh no, I don't think that.

MR. ELLIOTT: That is not possible—

MR. CHALLIES: The information should be forthcoming. What I want to get at—

THE CHAIRMAN: I would think this; Mr. Challies, if you wanted more detailed information, which is impossible for the witness to give, if you outline what you want him to supply, he can do that, I am sure, because he will be available, and we will call him at any time later.

MR. CHALLIES: I thought it would be a very simple question, Mr. Chairman, and I would like to know what the cut stone being used in these buildings which are already contracted for would cost—I want to know what the cost of that cut stone will be.

MR. ELLIOTT: That is practically impossible for the Deputy Minister to give.

MR. CHALLIES: Mr. Chairman, I am asking the Deputy Minister for a reply. Mr. Elliott does not need to say whether it is impossible or not.

MR. ELLIOTT: Mr. Chairman, the Deputy Minister said he cannot tell what the contractor has paid—

THE CHAIRMAN: Q. Did you hear the question, witness?

A. Yes.

Q. Are you in a position to answer it?

A. No, I am not. I have no information on it. These tenders are called for, including cut stone and everything that goes into them.

Q. Are you in a position to make the information available at a later time?

A. No, I have no control over that.

HON. MR. HIPEL: I would like to have a ruling on this matter. I do not think this Public Accounts Committee has any jurisdiction or any right to question a Deputy Minister as to what a general contractor pays for his material. That is apart from this Committee. If, on any contract, the cut stone was asked for in separate bids, and was supplied by the department, then that is quite within our jurisdiction.

I would ask you to rule on that matter.

MR. FROST: You have travelled a long way since your request of 1931 and 1934, you should be on our side here.

THE CHAIRMAN: Order, please. Mr. Challies, I asked this witness if he could give an answer to your question, and he said, "No." Then I asked him if he could make the information available at a later date, and he said, "No, it is not within his department." Therefore, I will order that the question should not be allowed.

MR. CHALLIES: But Mr. Chairman, does it not seem rather unfortunate—perhaps "unfortunate" is not the word—that in this first item here of six pavilions, it says "Paid the contracting company for cut stone \$273,840,00?" I submit this, that this is on a cubic foot basis—the unit basis is the cubic foot. It would not take an architect but a very short time to scale the exterior of all these buildings for which contracts are already let, and give us an estimate—if not the exact figures, of what the cut stone used in these buildings will cost the people of the Province of Ontario.

THE CHAIRMAN: You will have an architect in the box right after this witness. Maybe he can give you an estimate.

MR. ELLIOTT: Q. Before that is proceeded with further, I would like to point this out; in this particular case, it just happened some of these invoices came under the view of the Department, because they are sent to the department in order to avoid paying the sale tax. In another case probably the contractor would contract to build at a price, and we would never see his invoices at all, and we would not know what he was paying for his material, and labour. This seems to me to be a private matter, and a confidential matter, and simply because the documents sent are for the sake of convenience we should not be

prying into the personal practice of a contractor, any more than we should discuss any information regarding the income of an individual—

HON. MR. MACAULAY: If the Government pays for it, why should we not know the amount?

HON. MR. CONANT: Is it not a simple matter, Mr. McAllister says he has not the information.

THE CHAIRMAN: However, I have ruled the question need not be answered.

HON. MR. CONANT: Go on now, with something else.

MR. FROST: May I ask one question in connection with these contracts?

THE CHAIRMAN: Yes.

MR. FROST: Q. As I understand it, the contracts were advertised, and prices were given with the sales tax included?

A. Yes.

Q. And afterwards, you apparently made an arrangement with the contractor that blanket orders would be given to certain concerns from whom he wanted to purchase?

A. Yes.

Q. They would give an order, and you would pay the invoice, in order to save the sales tax?

A. Yes.

Q. Was that an arrangement you entered into before you made the contracts, or after you entered into those contracts?

A. Before.

Q. Was that the understanding—

A. That was incorporated in the instructions to bidders.

Q. Therefore, the cost of financing—the Government relieved the contractor of a certain burden of financing, and the adjustment would be of that type—the financing would be less?

A. His cost would be reduced, if we paid them that way, yes.

MR. FROST: O.K.

MR. DREW: Q. Just in view of the question Mr. Strachan has asked,



I would like to ask another question while we are here now. Mr. Strachan asked you if in every case the tenders were the lowest?

A. Yes.

Q. Have you a list of the tenders you had in the different cases?

A. Yes, sir.

Q. Would you let me have the comparative list of tenders for the cut stone to be used in this hospital? Let me refer you to a specific item, say the second item in the answer given with regard to the various contracts, where I see, "Piggott Construction Company, cut stone, \$273,840.00"?

A. Yes.

Q. Have you a list of other tenders for cut stone?

A. Yes, we have.

MR. ELLIOTT: I think he can supply them now.

THE CHAIRMAN:: If these are not available now, perhaps they can be filed in the morning.

MR. DREW: Q. The only reason I ask that is that it occurred to me that this question could be answered because I have a figure which I think is right of the other tenders?

A. It is quite involved, because we received tenders from different cut stone contractors in the Province, some in Toronto, some in Hamilton, and some in Niagara Falls.

The freight rate on the rough stone from the quarry at Queenston—to the different plants are different. The f.o.b. car price at the different plants we had to equalize.

Q. Was not a tender for "cut stone laid down"?

A. Each firm tendered for the laid down price of all the stone at St. Thomas.

Q. Then, what has the freight got to do with it? All I am asking you is this, was any tender for cut stone laid down at St. Thomas sent in?

A. We had to equalize the basic rate.—

Q. Now, just a minute; just answer my questions, and I think we will get on faster? Did you not call for tenders for the delivery of cut stone laid down at St. Thomas?

A. Yes.

Q. Then, what difference does it make what the freight rates were, as far as you are concerned?

A. We called for separate tenders in the first place for the supplying of cut stone, with the intention of splitting it up amongst the different stone plants in the Province.

Later on it was found that it would be to our advantage to turn this contract over to Piggott who had the general contract, and let him handle it and look after the supervision and inspection of the stone, and relieve us of all responsibility.

We then would be in a position at the job to inspect the stone and accept it or reject it.

We did that, and at our direction Piggott distributed this stone amongst certain contractors. But a basic price to turn this over to Piggott had to be worked out, so that each stone contractor would not be penalized for the location of his plant.

Q. Mr. McAllister, you can perhaps answer my question in this way. I see the amount you give is the amount of the tender for cut stone, and in answer to a question in the House, the amount mentioned was \$273,840?

A. Yes.

Q. Did the Piggott Construction Company, Limited tender at all?

A. No, they did not bid.

Q. Then, why do you show them as tenderers?

A. They were the contractors.

Q. This \$273,840.00 was not the tender of the Piggott Company at all?

A. No, it was based on the lowest price we received on the call for the supplying of cut stone.

Q. Did you not ask for tenders from companies supplying stone?

A. Oh, yes.

Q. To deliver stone to you at St. Thomas?

A. Yes.

Q. Not to Piggott & Company but to the Government?

A. Yes.

Q. And is it not so that Sharpe Brothers of Hamilton put in a tender of \$263,684.00 or \$10,000.00 less than the tender which you show?

A. When we turned this over to Piggott, it was based on the lowest price received under that call.

Q. You have your figures there, Mr. McAllister; is it not so that in the tenders you got was a tender from Sharpe Brothers at Hamilton, for this stone, \$263,684.00 laid down at St. Thomas?

A. That is right.

Q. Then, if you had a tender for this cut stone for \$263,684.00 why did you pay \$273,840.00 for it—\$10,000.00 more?

A. As I was explaining there, if we had undertaken the responsibility with regard to the inspection and delivery of that stone to Piggott, we would have become responsible, and we would have to pay men and inspectors to go into these different yards and inspect the stone.

We would also become responsible for the condition of the stone delivered on the job at St. Thomas, by this inspection.

We gave to Piggott a four per cent fee on the lowest price we received to take those services over from us.

Q. Then, you see the thing that strikes me, Mr. McAllister, is this; you can easily check over—I have here—and you can correct me if I am wrong—I have here four tenders which you received for cut stone; the first was the Sharpe Brothers of Hamilton, \$263,684; the Ritchie Cut Stone of Toronto, \$266,400.00; Arthur Stead—S-t-e-a-d—of Hamilton, \$267,000.00, the Niagara Cut Stone Company of Niagara Falls, \$263,103.64.

Now, two of those tenders are more than \$10,000.00 under the price you paid, and all of them are substantially under the price you paid?

A. That is accounted for—

Q. Are not all those companies responsible companies?

A. Oh. yes.

Q. Why then was Piggott & Company, which is a general construction company, in any better position to assure the fulfilment of the proper delivery of that stone than any of these companies which I have mentioned?

A. Because he would be dealing with several companies.

Q. Did you give instructions to Piggott & Company by letter as to what they were to do?

A. Yes.

Q. May I see a copy of that letter?

A. Yes. (Document handed to Colonel Drew.)

Q. Oh, this letter throws an extremely interesting light on the remarks of Mr. Elliott. This letter was written, of course, after you received these tenders?

THE CHAIRMAN: Had you not better read the whole letter?

MR. DREW: Yes, I will be glad to do that.

MR. DREW: Q. This letter was received after you had received these tenders?

A. Yes.

Q. And the letter is dated August 25th, 1937, and is addressed to the Piggott Construction Company Limited Engineers and Contractors, Piggott Building, Hamilton, Ontario, Dear Sirs: "Re Ontario Hospital, St. Thomas", and it reads as follows:

"The Department is prepared to offer to you—", before I begin to read this, these tenders have been received from these other companies for cut stone?

MR. ELLIOTT: Yes.

MR. DREW: Q. That is, those I have just referred to, the four tenders?

A. Yes.

Q. Had anything intervened between the receipt of these tenders and the writing of this letter to Piggott Company—just so that we will have it in order?

A. Of what nature?

Q. Had you communicated with these tenderers with regard to cut stone? Had you told them whether they were going to get it or not? Had you any communication with them?

A. As I explained before, we were trying to distribute the cut stone amongst the different cut stone plants in the Province, and we did have conversations with them to see if they could not get together and have one firm handle this thing, and distribute it amongst the others, but they could not come to any agreement on that.

Q. Then without any further consultation with them you wrote this letter to Piggott & Company?

A. I had a consultation with Piggott & Company about it. He came to us and explained to us the difficult position we were putting him in with regard to supplying the cut stone.

Usually cut stone is included in the general contract, but, as I say, in this



particular instance, in order to give ourselves leeway and distribute this stone amongst the different cut stone plants, we called for it separately.

MR. DREW: Here now is the letter:

"The Department is prepared to offer to you as an addition to your contract, the supply and supervision of the cut stone for the new building at St. Thomas, at a cost not to exceed \$3.05 per c.f. for the stone cut and loaded on the cars at the yards of the Cut Stone Contractors, consigned to the General Contractor at St. Thomas. This price includes sales tax, and you will pay for all freight and other charges for the delivery of the stone from the yards to the job. The freight rates obtained by this Department from the Canadian National Railways will apply on this contract and the total amount allowed for the freight shall not exceed the amount based on these rates, which are as follows:

Niagara Falls to St. Thomas, 14c.	per 100 lbs.
Hamilton to St. Thomas. . . . .	12½c. per 100 lbs.
Toronto to St. Thomas. . . . .	14c. per 100 lbs.

delivery to be made by rail haul.

You will be paid a fee of 4% on the actual net cost of the work based on the following approximate costs:  
80,000 c.f. stone at \$3.05"—

MR. CHALLIES: Surely not.

MR. DREW: "80,000 c.f. stone at \$3.05, \$244,000.00" yes.

Then this letter goes on as follows:

"Freight from yards to job. . . . .	\$ 16,000.00
	<hr/>
	\$260,000.00
Less sales tax. . . . .	18,000.00
	<hr/>
Net approximate cost. . . . .	\$242,000.00

The whole of the work is to be carried out in accordance with the plans and specifications, and subject to their acceptance will be subdivided to the following Cut Stone Contractors, at a price not less than \$3.05 per c.f., F.O.B. cars at their plants.

Ritchie Cut Stone Co. Pavilions 1 and 5, Approximately 24000 c.f.  
Sharp Cut Stone Co. Pavilion 4, Corridor 2, Approximately 14000 c.f.  
A. Stead Cut Stone Co. Pavilion 3, Corridor 1, Approximately 14000 c.f.  
Niagara Cut Stone Co. Pavilion 2, Corridor 3, Approximately 14000 c.f.  
Nicholson Cut Stone Co. Pavilion 6, Approximately 12000 c.f.  
Nobbs Limited, Corridor 4, Approximately 2000 c.f.

"The same arrangements will be observed in ordering the stone as obtains under the general contract, to secure exemption of the sales tax.

"The General Contractor, in consideration of the fee to be paid him, shall accept full responsibility for the quality and condition of the stone, all in accordance with the specifications and plans for the cut stone and general trades, and shall arrange deliveries to conform with the progress of the work. This Department will not be responsible for any delays.

"You will be required to supply to the Department an approved Guarantee Company's Bond for 50% of the amount of the contract, to provide the usual guarantees in accordance with the specifications. The cost of this bond to be apportioned amongst the cut stone contractors.

"The aforesaid price is based on a sawn finish, if a planer finish is decided upon, .05c. per c.f. extra will be added to the contract price and pro rated to the different stone cutting contractors.

"Would you kindly advise immediately if you agree to accept this contract on the above terms,

Yours truly,

(Signed) 'R. A. McALLISTER'.

Deputy Minister of Public Works."

Now, just to go back to one item; I notice you add the name of the Nicholson Cut Stone Company, and that of Nobbs Limited; were they tenderers on this job?

A. They could not tender on the whole thing, because they were smaller plants. I did divide it upon the basis of the capacity of the plants. Some plants could handle more stone than others.

Q. Now, I notice that the estimated net approximate cost was \$242,000.00

A. That was a basis.

Q. Yes, I realize it is only a basis, because what you show as the amount of the tender, which actually was not a tender at all, is \$273,840.00, or \$31,000.00 more than that.

MR. ELLIOTT: That is the price paid, as shown in the order paper.

MR. DREW: In the order paper it gives Piggott's contract for cut stone, and his tender as \$273,840.00 the amount expended within the tender \$256,753.00—evidently not completed.

THE WITNESS: The sales tax is included in that \$273,000.00 odd dollars which I gave in reply to a question in the House. There was \$18,000.00 sales tax included.

Q. Even then, it is \$260,000.00?

A. Yes.

Q. Then there is a fee on top of that?

HON. MR. CAMPBELL: 4%.

HON. MR. MACAULAY: That was not a tender.

THE WITNESS: We also eventually accepted the planer finish which was .05c. per cubic foot more than the \$3.05.

BY MR. DREW: Q. You have adopted that, have you?

A. Yes.

Q. Then, actually it is not being done by tender at all, is it?

A. Oh yes, oh yes. That basic price was based on the lowest tender received. It was reduced to a cubic foot basis.

BY HON. MR. MACAULAY: Q. Is the 4% the result of the tender?

A. No.

Q. Then why say it is based on tenders?

A. I am talking about the stone, not the general contract.

Q. Then you say you were asked for the whole price, if the whole price was based on a tender, and you said, "Yes"?

A. The lowest tender received for the stone.

BY MR. DREW: Q. You got a basis for that tender by fixing the price which you in turn told the stone company they must accept, if they were going to deliver the stone—

HON. MR. CAMPBELL: That was the intention in the first place.

MR. DREW: I must point out, Mr. Chairman, with all respect to the Minister of Public Works, that he was not there when those tenders were called for, and he does not know any more from personal experience than I do—

HON. MR. CAMPBELL: Oh yes, I think I do. I hope I do.

MR. DREW: You were not there.

HON. MR. CAMPBELL: I hope I do.

MR. DREW: I would prefer, if the Minister of Public Works was not there that he should not put remarks on the record. If he wants to go into the witness box later, that is quite fine.

THE CHAIRMAN: Yes, the witness under oath should answer the questions.

MR. DREW: Q. Mr. McAllister, to what extent did this same system apply—did it apply all the way through this St. Thomas Hospital construction?

A. In regard to the stone?

Q. In regard to other matters? I am not arguing with you, but I want the basis for the question so that it cannot be said by somebody that I am arguing with you, but I cannot agree that you are getting a contract by tender when you ask for tenders, and then arrive at a cubic foot basis, and then employ somebody on the fee basis to buy this stone at a figure; is that the method adopted with regard to tenders generally?

A. No.

Q. Then, in how many cases would you say that same principle is applied?

A. This is the only instance where it occurred—with regard to cut stone.

Q. No, I am not talking about cut stone, but I am talking about any of the things supplied to the hospital in St. Thomas.

A. In St. Thomas, as we went into it the other day, and as I explained, the heating and plumbing was provided for the six buildings.

HON. MR. CAMPBELL: Q. And no fee was paid?

A. No. On the hospital centre, which—that was by contract that the same policy was carried out; we divided it there. That was the only instance in which this statement was made.

In calling for the cut stone, under a separate price, as I explained, the cut stone industry due to a cessation of building in the Province was in a very bad way, and at these different centres where these stone plants were located, there were a lot of men depending on the plant for a living, and we felt in a job of this size, it was only proper it should be distributed on the basis of the lowest price contained in the tenders we received.

The stone did not cost us any more by doing that, and the fee which was paid, we were well compensated for because we would have had a great deal of expense and responsibility in supplying this stone to Piggott.

MR. ELLIOTT: Q. That was done on other Government buildings?

A. I understand it was done in the same way with the East Block.

Q. What was the arrangement there?

A. I believe Mr. Oakley was the general contractor, who supplied the stone, and he split it up amongst the Cut Stone Plants.

Q. Was that the former member?

A. Yes.

HON. MR. MACAULAY: Q. Did they hire outside architects on the East Block?



A. I am not sure of that—

Q. What do you think about that?

A. I have no idea.

Q. You have no knowledge of that?

A. No.

Q. How do you know about the cut stone then?

A. I heard about that.

Q. Oh, but you have not heard about the other?

A. No.

Q. Will you look into it, and find out what they did with regard to constructing the East Block.

A. Yes.

MR. FROST: I see the architect's first names are "William Lyon". I wonder if that had anything to do with getting the contract, or if he had anything to do with the rebel arch there.

THE CHAIRMAN: Well, let us get along.

MR. DREW: After all, what was called for in this question was the amount of the tender for cut stone.

MR. DREW: Q. How did you arrive at the figure of \$273,840.00? We have not anything before us yet to indicate that that is the figure of the stone tender?

A. That was the nearest we could come to it.

Q. Mr. McAllister, I am merely asking you with regard to the figure which you have within the last few days supplied yourself to the House?

A. Yes.

Q. The question that was asked was the amount of the tender in each case, and in this case the amount of the tender which you have given to the House for Cut Stone is \$273,840.00. Now, how do you arrive at that figure?

A. I consider that would be a tender. We used the lowest tender as a basis to arrive at that amount.

HON. MR. CONANT: Mr. Chairman, let us save a lot of time. I am not objecting to Mr. Drew's line of question, but it seems to me we are spending a

lot of time trying to secure something which is not available. Would it not save time if Mr. McAllister would prepare a memorandum showing how this \$273,840.00 was made up, and then Mr. Drew can shoot it all to pieces, if he wants to.

MR. DREW: I would be very glad to defer that. I would think he would have that, because that was furnished in the House within the last few days.

THE CHAIRMAN: Very well, let us get on to something else.

THE CHAIRMAN: Q. Mr. McAllister, you will be prepared to show how you arrived at that figure of \$273,840.00—

HON. MR. CONANT: How it is made up.

THE CHAIRMAN: Yes, how it is made up.

THE WITNESS: Yes.

MR. ELLIOTT: Probably he cannot do that now.

THE CHAIRMAN: That is what we are trying to get away from.

THE WITNESS: If I had the file, Colonel Drew, I think I might do it very shortly.

THE CHAIRMAN: You had a question, Mr. Challies?

MR. CHALLIES: My only point was—we might get it from the architect, I would like to have an estimate—I have a statement, as far as that is concerned—of the number of cubic feet of stone to be used in the other buildings, for which contracts are already let.

THE CHAIRMAN: Is it possible to get that information Mr. McAllister?

THE WITNESS: We can estimate it.

THE CHAIRMAN: If you can do that, and have that information available as well as the other information requested later?

THE WITNESS: Yes.

THE CHAIRMAN: Are there any other questions? Are you through, Colonel Drew?

MR. DREW: Oh no, I am not, I am not through yet.

THE CHAIRMAN: Then, will you please continue?

MR. DREW: Q. Now, to turn to another item under administration and hospital building. I notice that the very large bulk—in fact the whole work done in the general trades on the hospital and administration building was

done by Ilsley Wilde & Company, Limited. Could you tell me the date on which the contract was given to Ilsley Wilde & Company Limited?

A. I will get the contract—

MR. STRACHAN: Here it is (handing document to the witness).

THE WITNESS: The date on the contract is July 4th, 1938.

MR. DREW: July 4th, 1938?

A. Yes, sir.

Q. And what is the date of their tender?

A. July 8th, 1938.

HON. MR. CAMPBELL: No, no; that is not right.

THE WITNESS: Oh no, I beg your pardon. The contract was the 28th. Their tender was July 8th; July 14th was the proper date of the contract.

MR. DREW: Q. Of which—of the contract?

A. Yes.

Q. When were the tenders called for?

A. July 8th; they were dated July 8th.

HON. MR. NIXON: The tenders closed on July 8th?

THE WITNESS: Yes, but Colonel Drew wants to know what time they were called. They were advertised on June 8th.

MR. DREW: Q. Now, have you the list of the tenders in that case?

A. Yes.

MR. ELLIOTT: You can just read them out of your book.

THE WITNESS: The tender of Ilsley Wilde & Company Limited was \$784,495.00.

MR. DREW: Q. \$784,495.00?

A. Yes. The Piggott Construction Company, Limited, at Hamilton, was \$786,500.00.

Q. Yes.

A. The W. H. Yates Company, of Hamilton, \$804,000.00. The Anglin Norcross Limited, of Toronto, \$815,000.00.

The Carter Hall Limited, Toronto, \$829,714.00.

The Redfern Construction Company, of Toronto, \$830,700.00.

Q. Those are the totals?

A. Yes.

Q. I think Piggotts, Yates and Anglin Norcross and Carter Hall and the Redfern Company are all well known companies?

A. Yes.

Q. They are all companies of some standing—some continued activities?

A. I believe so.

Q. Do you know when the Ilsley Wilde Company Limited came into existence?

A. No, I do not.

Q. Do you know anything about the company?

A. No.

Q. Do you know anything about its standing?

A. No.

Q. Did you know it was just incorporated just before this?

A. I know Mr. Ilsley has a very good reputation in the construction field.

HON. MR. MACAULAY: Q. Where?

MR. DREW: Q. Where?

A. In Toronto. He was superintendent of the Robertson people for a good many years.

Q. But they did not, just before this, have a company of their own?

A. It was not known as the "Ilsley Wilde Company"; I believe Mr. Ilsley formed this company.

HON. MR. CAMPBELL: It was known as the Wilde Company and before that they tendered on a number of previous buildings.

MR. DREW: It was the same company?

HON MR. CAMPBELL: Yes.



MR. DREW: Q. You had no occasion to divide their work at all?

A. No.

Q. What other things does that cover?

A. The general contract, and the construction of the building complete, without any furnishings, and without any mechanical work, that is, plumbing, heating, wiring, and ventilation.

HON. MR. CONANT: Q. Did they give a performance bond?

A. Oh yes.

Q. That is, Ilsley Wilde put up a performance bond?

A. Yes.

HON. MR. CAMPBELL: The old Wilde company is as old as some of the others.

HON. MR. NIXON: Q. They have performed all right?

A. Yes, they are doing very well.

MR. DREW: Q. Did you call for tenders on the furnishings and equipment?

A. Yes.

Q. Just for an example, let us take the kitchen and dining-room equipment. Have you the list of tenders there on that?

A. I can supply the amount of the cut stone that I gave in answer to the question—how it was made up, now.

Q. Very well.

A. Here it is (document handed to Mr. Drew).

MR. DREW: Q. You have furnished me with the figures now of the way that you arrived at the cost of the cut stone, and you arrived at a figure of the cost of stone \$244,000.00, freight \$16,000.00 making a total cost of \$260,000.00 and adding the cost of the planer finish \$4,000.00 and Piggott's fee at 4% on \$264,000.00, \$9,840.00, making a total of \$273,840.00?

A. Yes.

Q. That is the way you arrived at that figure?

A. Yes.

HON. MR. CONANT: May I ask a question there, Mr. Chairman?

THE CHAIRMAN: Yes, certainly.

HON. MR. CONANT: Q. Is that the same quantity as set out in the letter which Colonel Drew has been reading from? Does it finally result in the same quantity as the quantities you set out in the letter to the Piggott Company?

A. There may be adjustments. We based Piggott's fee on 80,000 cubic feet, and at a unit price.

HON. MR. MACAULAY: Q. How did you come to arrive at that 4%, Mr. McAllister?

A. By discussion with Piggott's, and we felt it was a reasonable fee. When we figured up what it would have cost us to do the same work he was going to do for that fee.

MR. DREW: Q. Have you not your own architect, down there, supervising the material?

A. The work, yes.

HON. MR. CAMPBELL: He made these inspections at the plants.

MR. DREW: Q. These people would be, of course, bound to furnish a bond to deliver the stone at St. Thomas?

A. Yes.

Q. In the ordinary course of events, the work is done by the architect, is it not?

A. It is, on the job. He inspects the stone as it comes on the job, and can accept or reject it. But that also entails the inspection of the stone at the different yards, because we become responsible for the condition of the stone delivered.

HON. MR. MACAULAY: It was not done on the job.

THE WITNESS: If we were responsible for the condition of the stone on the job—

MR. DREW: Q. You are, anyway?

A. No, Piggott is. That is why we paid him the fee. He assumed that responsibility.

Q. After all, if you called for a tender on cut stone of a certain type and quality, and it is to be delivered at St. Thomas, at this particular place, subject to your final approval, which, in any event, must be the test of whether the stone is going to be accepted or not—

A. No, we rejected a great deal of stone at St. Thomas.

Q. Sure, you would have the advantage of rejecting it anyway; you say it is exactly the same work as if you accepted the stone as it was delivered?

A. No, I would say that we would be more particular before that stone was shipped to the job.

Q. Is it not so that the inspections are what decided whether the stones will be accepted or not—the inspection at the point of delivery?

HON MR. MACAULAY: At St. Thomas?

MR. DREW: Q. At St. Thomas, yes.

A. As far as we are concerned, we accept the stone on the job.

Q. You necessarily accept the stone on the job?

A. No, subject to your inspection.

Q. Quite; but you necessarily accept the stone on the job? What I mean by that is, you do not accept the stone at the quarries; you accept the stone on the job itself?

A. That is right.

Q. As you have said, you have already discarded a good deal of stone by your inspection there?

A. Yes.

Q. In other words, even with the fee you are paying Piggott, you have found it necessary to discard some of the stone delivered on the job?

A. That is one of the protections you have in a fee.

Q. You had that protection anyway?

A. Oh, the stone might have been injured in transit. Some of this stone is going a long way. The edges might be knocked off, or something of that kind. That responsibility is all Piggott's.

Q. Am I not correct—because, if I am not, the record is not clear—am I not correct in saying that the tender was for the supplying of stone F.O.B. St. Thomas?

HON MR. CAMPBELL: No.

MR. DREW: Mr. Chairman, I must object to the Minister of Public Works interjecting these remarks. He was not the Minister of Public Works at that time, and I object to his interposing remarks during this examination.

THE CHAIRMAN: Q. What is your answer to that question witness?

A. The price was F.O.B. car, St. Thomas, Piggott was to deliver the stone from the cars to the job, that is, under the original call.

MR. DREW: Q. Under the original call, this stone was to be delivered F.O.B. St. Thomas, and you certainly, under that contract, would have the right to reject any broken stone or any stone not satisfactory there, would you not?

A. On the site of the work?

Q. Yes, on the site of the work?

A. Yes.

Q. You have the right under the tender which was originally called for?

HON MR. CAMPBELL: Pardon me now for the interruption.—

MR. DREW: Q. What advantage do you gain by paying \$9,840.00 to Piggott?

A. Excuse me; you said we had the right under the original contract to reject stone at St. Thomas.

Q. Well, let us start it again.

HON MR. CONANT: If you are not using that letter, let me see it, please. (Document handed to the Hon. the Attorney General).

HON. MR. CAMPBELL: Q. This is on the car at St. Thomas, and you are saying "St. Thomas is on the site"?

A. Yes.

HON. MR. CAMPBELL: There is a delivery in between.

MR. DREW: All right, let us get that clear.

BY MR. DREW: Q. When you call for tenders for the delivery of stone, you are naturally not going to accept stone at the job from any stone quarry, which is not satisfactory for the job?

A. Our responsibility comes when we accept the stone at the plant. If we became responsible for supplying the stone and eliminated Piggott from it altogether then we would become responsible for supplying the stone as well as the inspection at the plants before the stone is shipped.

Q. Is that your ordinary method—inspection of the plants?

A. Yes, that is how we have to protect ourselves in order to get the proper stone on the job?



Q. Is it not the ordinary case to accept delivery at a plant? You mean to say that was the arrangement you were making?

A. That is what we would have had to do in order to get the proper quality of stone. Since we were taking the responsibility for the stone which went into the job, we would have to be sure that the stone at the plant was of the proper quality.

Q. Very well, but you would not be called upon to accept stone other than what was delivered properly at the job, would you?

A. I don't quite "get" the idea.

Q. Let me put it this way. You called for tenders and you got tenders from—to take an example—Sharpe Brothers at Hamilton?

A. Yes.

Q. Amounting to \$263,684.00?

A. Yes.

Q. Had you accepted Sharpe's tender, would the arrangement not have been that you would have called, under the contract, for the delivery of stone satisfactory to the job, at the job itself—under that contract?

A. I think the stone would still have been subject to inspection at the different plants. That is the usual practice.

Q. Subject to inspection at the job?

A. At the plant, Piggott had men going to all these plants, inspecting this stone.

Q. You are, after all, buying a great many things in the Department of Public Works; is it not so, in the regular course of your practice in that Department, that you have the right of inspection at the job where delivery is made before final acceptance?

A. Quite usually, but stone is a different thing altogether. Stone is subject to many imperfections.

Q. Have you a copy of the conditions here—of the tender?

A. With regard to cut stone?

Q. Yes.

A. There are other items entering into that fee than the quality of the stone.

Q. I want to get one point cleared up at a time. That is as to what the difference in the arrangement was.

THE CHAIRMAN: Just a minute, just so the reporter will have a record. What is "this", Mr. McAllister?

THE WITNESS: These (indicating) are the specifications and general conditions covering the calling for tenders for the cut stone for six patients' pavilions at St. Thomas.

MR. DREW: Unless you wish me to, Mr. McAllister, I do not think it is necessary to read the whole of the details of the specifications in regard to stone — unless you want me to. But, as I read this (indicating) starting at page 11, under "Cut Stone Specifications", it seems perfectly clear to me that you have the right of rejection at the job, that is, they must deliver stone of a certain quality for this work, and I see it says:

"The stone will be subjected to water test, and any stone found defective will be rejected and must be replaced by sound stone by this contractor."

Does that not seem clear that you had the right of acceptance or rejection at the job, at or near St. Thomas?

A. Oh, yes.

Q. I want to get that one point clear, and if it is clear, we need not labour it. May I sum it up in this way, that under the specifications upon which the stone companies tendered, you had the right to inspect at the job at St. Thomas, and if the stones were not satisfactory, or were chipped, or in any way imperfect, filled, or in any way did not meet the requirements, you had the right to reject them?

A. There was another factor—

Q. Is that correct or not? Answer that and then you can explain the other factor.

A. That is right.

MR. DREW: That is what I have been trying to get for about ten minutes.

THE CHAIRMAN: Mr. Hipel, I believe you wanted to ask a question.

HON. MR. HIPEL: I would like to ask the Deputy several questions, because the former Minister consulted me on some of the same kind of problems.

THE CHAIRMAN: Will you proceed then, Mr. Hipel?

MR. HIPEL: Q. When you were asking for these separate tenders, on this stone work, under the arrangement you made with the general contractors you were responsible for the delivery of the stone. What I mean by that is that in the construction of this kind, of various buildings and going on under construction at the same time, if your Department undertook to supply the stone, then the contractor calls the Department and says, "I want a certain amount of stone delivered on a certain date"?

A. Yes.

Q. So it is not only a question of the quality of the stone or the inspection, but it is a question of the quarry turning out or manufacturing or processing the stone as required on the job from time to time, in conformity with the details.

Would I be safe in saying—or would I be right in saying—that if you undertook to make delivery of this stone, you would have to engage several men to be at these plants and check the details with the men who were processing the stone, so that in turn it would be delivered promptly?

A. Yes, that is true.

Q. Speaking as a general contractor, and knowing something about these things, where the second party, such as your Department, would undertake these deliveries, you would be responsible for delays?

A. That is true.

Q. You would also be responsible for errors in the manufacture, that is, the cutting of the stone to fit your windows sills, your arches, and all the rest of it?

A. I would not go so far as to say that. The stone contractors would have his own details to make those things.

Q. What I mean—you are the purchaser?

A. Yes.

Q. And the contractor?

A. That would be the responsibility of Piggott.

Q. You would have to make that arrangement or adjustment with him?

A. Yes.

Q. Now, are you aware that the estimate—are there any actual figures on file to show this—that somebody in your Department estimated that the extra help required if you were undertaking this work would be approximately \$16,000?

A. I believe there was an estimate made.

Q. Roughly, between \$15,000 and \$16,000?

A. I believe it is around that figure.

Q. And that your Department, to rid yourselves of the definite responsibility between your supply people and the general contractor—you relieved yourself of all that?

A. That is true.

Q. So, instead of it costing between \$15,000 and \$16,000, this was all done at a cost of \$9,840?

A. Yes.

Q. That is correct?

A. Yes.

Q. In other words, in dollars and cents, it means a saving in the final cost to the Department?

A. Yes, it would.

HON. MR. HIPEL: That is all, Mr. Chairman, thank you.

MR. ELLIOTT: Q. These prices for the delivery of stone were F.O.B. cars at St. Thomas?

A. Yes, sir, that is true.

Q. And the general contractors had to take the responsibility of moving at his own expense the stone to the job?

A. Yes.

Q. And he would be compensated at the rate of four per cent?

A. No, that was included in his erection cost, as the general contractor.

Q. If the Department had taken over the delivery, you would had to assume the cost of moving it from the cars to the plant?

A. The general contractor would.

MR. DREW: It would have been just the same, would it not?

MR. ELLIOTT: Q. Would not the contractors have to assume the responsibility of moving it from the cars to the plant?

A. The general contractor would, yes.

Q. You said you distributed the work amongst the various plants, to facilitate movement? Do you know what proportion of the price is represented in labour costs in quarrying and processing the stone?

A. I expect it would be all labour, with the exception of freight.

Q. That is what I understand, that in stone work practically all that is expended is in labour costs?



A. Oh, yes, Sir.

MR. DREW: As far as I am concerned, Mr. Chairman, I would just as soon go ahead now with Mr. Williams.

MR. DREW: Q. Oh, have you the tenders for the dining room equipment?

A. These (indicating) are the tenders for the dining-room and kitchen equipment. This (indicating) is the spread sheet, detailing the different prices as contained in the tenders. This (indicating) is the order we gave, and these items (indicating) include a total to each firm of the different items that they were low on. For instance, Simpson's might be low on several items, and this (indicating) represents the total of the items they were low on, and upon which they were given the order.

MR. DREW: I think the only thing to do is to have that filed as a matter of record and then not take the time of the Committee to inspect it now.

THE CHAIRMAN: I would suggest that we simply mark them, rather than file them, so they can go back to the Department.

THE WITNESS: I might say that Mr. Frost and Mr. Murphy went over that file with me the other afternoon.

THE CHAIRMAN: Order, please. Does any member of the Committee wish to ask this witness any further questions? (No response.) All right, thank you, Mr. McAllister.

—The witness retired.

GEORGE NORMAN WILLIAMS, a witness being called and duly sworn, testifies as follows:

MR. DREW: Q. Mr. Williams, you are—are you the Chief Architect?

A. I am the assistant architect, Colonel Drew, in the Department of Public Works.

Q. And how long have you been with the Department, Mr. Williams?

A. I have been in the Government service for 24 years.

Q. And, as I understand it from the evidence we have already had here, you have been particularly connected with the architectural work relating to these buildings at St. Thomas?

A. My part is the selecting of sites, to make the preliminary layouts, establish the plans of the buildings as they are to be built for the Department.

Q. Now, in this particular case, were you the one who was responsible for the plans of the St. Thomas Hospital?

A. I prepared the original sketches. I was responsible for those, with the assistance of the office staff.

Q. You prepared the original sketches with the assistance of the office staff?

A. Yes.

Q. And are those substantially the same as the plans which are now being followed?

A. Yes, the associate architect, Mr. Somerville, who prepared the working drawings from my sketches adhered, I would say, ninety-five per cent to the layout on my sketches.

Q. So as far as the actual—shall we say—decision as to design and general planning, it was your designs and not Mr. Somerville's?

A. Well, no, I can explain it this way; my part is the laying out of what the plan is to be inside, the relationship of one room to another, the size the rooms are to be, the number of beds, including the number of toilets, and the number of fixtures which go into those toilets, because I established the number of toilets, basins, fixtures and equipment, and when these are all handed to the outside architect, he develops his working drawings from these sketches, and he in addition to doing the general trade drawings, the structural drawings, the mechanical drawings, the plumbing, heating and wiring, and then the outside architect designs the exterior. He prepares and is responsible for the exterior designs.

Q. The outside architect?

A. Yes, we do not design the exterior. That is his design.

Q. Is that the regular practice?

A. That is the practice on all our hospitals at the present time.

Q. To engage an outside architect?

A. Yes.

Q. What other hospitals are under constructions at the present time?

A. The practice is being followed at Brampton, the tubercular hospital at Brampton, on which Mr. Carig is the associate architect. The Woodstock Hospital is pretty well finished now. There was the same practice there, in connection with the children's group for 400 beds. Mr. Bishop was the outside architect.

MR. STRACHAN: May I ask a question there, Mr. Chairman?

THE CHAIRMAN: Yes, certainly.

MR. STRACHAN: Q. What about some of the buildings which have been built? Has that been the practice in the past?

A. Yes. In the past the practice was about the same on many of the other buildings. You mean some years back?

Q. Yes.

A. Well, the criminally insane building which was built at Penetang for 150 prisoners—I think the outside architects were Holman and Banner.

THE CHAIRMAN: Q. When was that building constructed? Do you know?

A. Oh, I have forgotten the date. It would probably be ten or twelve years ago.

MR. STRACHAN: Q. About 1930?

A. Yes, about that.

Q. On a percentage basis, Mr. Williams, something similar to this?

A. Just the same. We prepared—I, in consultation with Mr. Neeland, of the Provincial Secretary's Department, prepared the original scheme for this criminal building at Penetang, and the outside architect made the working drawings and designed the exterior, just the same.

Q. I am advised Mr. Holman was engaged, and his fee was three and one half per cent of a total cost of \$186,000?

A. I do not think—

MR. DREW: Is that the cost of the building?

THE WITNESS: Yes.

MR. DREW: Slightly different from this.

HON. MR. CAMPBELL: It was only for 150 patients.

MR. STRACHAN: Q. I am advised that at the hospital at Hamilton Messrs. Wright and Noxon were engaged for three and one half per cent?

A. Just the same, yes. We prepared the original scheme, and they followed it, and prepared the working drawings, and made the exterior design.

Q. When was the Hamilton building built?

A. Oh, I don't remember the date.

Q. How many years ago, approximately?

A. (No audible answer).

MR. FROST: Q. How many men have you in your department?

THE CHAIRMAN: Just a minute. There is a question to be answered? Will you repeat your question Mr. Strachan?

MR. STRACHAN: Q. How many years ago approximately was the Hamilton building built?

A. That would be at about the same time as the building at Penetang.

Q. About the same time?

A. Around about the same time.

MR. DREW: Q. How much was involved in that building, approximately?

A. In the assembly hall?

Q. At Hamilton, yes?

A. I think between \$125,000 and \$150,000, without the furnishings.

HON. MR. NIXON: Q. Have you an architect on the cell block win at Guelph?

A. In our office, yes.

Q. No, outside?

A. No.

Q. Your office is handling that?

A. Yes.

THE CHAIRMAN: I believe you have a question you wish to ask, Mr. Frost?

MR. FROST: Perhaps Colonel Drew is going ahead with that.

THE CHAIRMAN: Very well.

MR. DREW: Q. What about Port Arthur?

A. Port Arthur is Mr. Dolphin.

Q. Who?

A. Mr. Dolphin.

Q. D-o-l-p-h-i-n-?

A. D-o-l-p-h-i-n-.



Q. Is that the man who reported on the hospital at London?

A. Yes.

Q. Have you his report on London, by the way?

A. No, I have not got that.

MR. MCALLISTER: I have got it.

MR. STRACHAN: Q. Mr. Williams, at the time the new assembly hall at Hamilton was built and the hospital for the criminally insane, I suppose your department was busy then?

A. At that time I was not in the Public Works Department. I was in the Health Department, but I understood from what I heard that they were busy.

Q. What about the present time?

A. I do not know how to describe it—tremendously busy.

Q. Why?

HON. MR. NIXON: Q. You had the Guelph O.A.C.?

A. That is the Public Works.

MR. ELLIOTT: The work that was formerly carried on by the Game and Fisheries is carried on in the Works Department?

A. Yes.

Q. And there were several fish hatcheries last year?

A. Yes.

Q. And that provided additional work?

A. Yes.

MR. DREW: I see the report on the London institution was after the time you had actually decided to go ahead with the St. Thomas Hospital?

HON. MR. CAMPBELL: Might I interject there? That report was ordered on my own initiative, partly for information for myself and for my colleagues. Mr. Williams had nothing to do with the asking of that report, and I do not know whether he has ever seen it. I gave it to my deputy, as a matter of establishing, I thought by outside architects independent of the Department, what their view would be, and they substantially agreed with what I had thought from the start.

MR. DREW: Q. Were there some previous reports made within your department on the London layout?

A. Well, when I was with the Health Department we had to do a considerable amount of maintenance and repair work and renovating work, and depending on what money was available in the vote for that particular year, I might say that we were never able to get what we wanted, and that would be more or less an Utopia if we did, and what we got we tried to make the best use of, and probably fireproof a dining-room, and make them more sanitary, and renovating the mechanical end and repairing leaks, and add sections here and there, and in some cases fireproof wings. It seemed at the time we were spending money often on old institutions where new institutions would be more preferable, and we often had work where that phase of it occurred to me.

Q. When did you leave the Department of Health?

A. I came in the Department of Public Works in 1934, in the fall of 1934.

Q. Up to that time you had been doing architectural work in connection with the Department of Health?

A. Yes, we kept on this maintenance work in mental hospitals, and renovations, and any buildings that were built for the Department of Health there would be a plan, and detailed layouts, and the layout of the equipment, and then the Health Department exercises an inspection system of all hospitals, and it was a general practice that they got plans of any outside hospitals buildings, whether they would be general, private or sanatoria, or just small ones, and those plans used to come to me to criticise and make reports.

Q. Can you tell me just how the Department arrived at the decision to build the hospital in a certain place. Just let me amplify that question before you answer it. What I am interested in is this: When the time comes to decide where a hospital is going to be placed, what material is before you at the time the decision is made?

A. The process or the procedure? Well, I will try and make it clear this way. The demand would originate in the Department of Health for a hospital, and then they would write the Department of Public Works, after taking it up with the proper authorities, and then they would write the Department of Public Works, and say that they want certain accommodation. That is discussed with the Deputy Minister, and likely the Minister, and then if it is decided we are going to provide these beds or whatever the particular accommodation is that is requested, we go ahead and make a preliminary layout, and then from there on go ahead with the work, and select a site, and develop working drawings, and get the outside architects to do the work, and prepare the layouts, and hand it to the outside architect. Of course, the first step after deciding to build a hospital is the selection of the site.

Q. In this case just what actually had led to the decision to locate this hospital in the particular place in which it is located?

A. Well, there had been letters—I will speak as I remember it—there had been letters from the Health Department asking for additional bed accommodation, pointing out the tremendous overcrowding and the seriousness of it, and it was even suggested that the urgency was so great that we hunt around and try

and find some old building; I think even factories were suggested, because I think they thought that the factory building presented the largest area of any other type of building. They thought they would get an old factory, and get a lot of the beds on the factory floors, and we hunted around, and while large areas were available, the sites were not too good. We looked at an old place that Eaton's had down east, and we looked at the place of the Massey Harris at Dovercourt and Queen and down at Woodstock, but these places were so objectionable from their location that I could not see anybody would be justified in putting patients in the places that were available, and it was talked over after that with Mr. Walters, and we told him we would not be able to find any temporary accommodation, and we had another meeting with Doctor McGhie, and it was decided that the only thing to do to take care of the tremendous number of beds that were required, and sleeping in the corridors, and what not, that the only thing to do was to start taking steps immediately to rush and get some new place built, and not two or three hundred—but something big, and so I asked Mr. Walters—I thought I had a site that might, I thought, be suitable.

THE CHAIRMAN: I think probably if we move the witness back a little farther then probably we could hear something, or would you prefer to stand up?

A. Whatever you like.

THE CHAIRMAN: None of the members in the back can hear a word.

THE WITNESS: I was referring to the selection of the site. Back at the time of the Ross Report—I think it was about 1910, was it not—no, in 1930—I felt that eventually London would be replaced, because their recommendation hinted very strongly to me at least that that building would eventually be replaced, and so I started looking around in London vicinity for a site to build a new hospital, to build a big one, and I naturally followed down from London along the highway and got down to Port Stanley, along the Lake Shore, and I got around the lake shore, and followed it back, and looking along the highway for a large flat piece of land.

In our institutions, the way I like to see them build, it requires a large amount of flat land because you can build all the buildings together with corridors for general services, and tunnels below for the piping. I do not like the idea of just building separate hospital buildings like has been done in the past, where you have to walk openly from one place to the other in all kinds of weather. I was hunting down in that vicinity around about that time for a place to put a large hospital, and so I had in mind two or three places, and I naturally followed down to the Lake, because I had Whitby in mind, and I followed down to the Lake, but the Lake, the edge of the Lake was pretty rough, and quite a lot of hills and hollows, and it did not seem to lend itself very well at the time the way I thought to build a hospital where the buildings would be connected by corridors, and I looked all over, and I noticed two or three nice sites. I was trying to get a site near Kettle Creek, and I was trying to find a high spot for the buildings and a low spot to drain the surface water, and to get a location with the high and the low. I was not trying to get low land all over; I was trying to get a high and low spot, and when this request came, or when this decision came not to occupy these factories.



MR. DREW: Q. Not to occupy what?

A. Not to occupy factories, not to house patients in factories. When I talked with Mr. Walters and Doctor McGhie they said, Well, get a suitable site, so naturally I went back to the section that I had been looking at some years ago, and after looking at two or three, I gave Mr. Walters a report on the different sites that I saw. Some were good and some had rising and falling land that was not so good, and some were not favourably sewaged. I saw a site that was about two miles south of St. Thomas. I would like to have obtained the opposite side of the highway, on the Kettle Creek side, but I could not find a piece of land with a sufficiently flat table section to house the group I had in mind for a new hospital, so I had to go to the other side, and there I found a very desirable piece of property not very far from Kettle Creek. As a matter of fact, one of the little tributaries from Kettle Creek runs alongside this property and across on to the highway and runs along. I said, "That will be a dandy spot for draining our surface water." In the location of sites, I always try to find a place where we can turn our sewage over to the town, because sewage disposal work is a pretty nasty business in an institution where the population is say between two and four thousand. You do not get the size of a plant like you would get in a city, and consequently it is small, and you possibly do not get the attention you would in a city, and I tried to find a place where you can turn your sewage over to the city, and likewise, the water supply. I am a great believer in trying to locate an institution far enough away from a town so it will not be built around, and reasonably so, so that you can get your water from the city. This site had an out-fall drainage level, and good capacity for storm water, and it was close to the city for getting the water supply.

HON. MR. CONANT: Q. Close to what city?

A. To St. Thomas. I came back up from the lake; I was trying to hunt for something on the lake. In the lake site, I had this in mind; the water situation at Port Stanley seemed to be rather inadequate, and it was low down and not sufficient elevation, and we would have to put the sewage into the lake, and if we drew our water out of the lake, it would mean that we would have the sewage going out one end of the institution, and water coming in the other, and that was not so good, and I naturally drifted nearer St. Thomas, and this particular site had the facilities for sewage, and it had the sewage plant in the town, and it had facilities for the disposal of water to the creek branch, and good drainage there; it was handy for electrical supply, and it had the highway running right up to the front door, which I thought was handy for visitors; it was a good paved highway, and there was a street car system. I thought that was a tremendously attractive feature. I think that is one of the things that occurred to me before when I was down years before that. When you have the electric railway, maybe not just running as often as it could be, but probably if the institution was developed, they would increase the service; you have an electric railway running right by the front door. And it had the kind of table land for a large group connected with corridors, and I came back and I told Mr. Walters about this, and I told him that I had selected this site, and I thought it was a good one, and that I had compared others. I pointed out I thought this was a good one.

MR. DREW: Q. What year would that be?

A. When I went down there? You mean the last time?



Q. You say you came back and told Mr. Walters about this site?

A. That would be in the spring of 1937.

Q. When?

A. In the spring of 1937, in April or May, I believe.

MR. ACRES: Q. When you are considering sites for hospitals, that is particularly your work, is it?

A. Yes.

Q. A few years ago, you selected the site at Smith's Falls?

A. I went down to Smith's Falls.

Q. And was the site agreeable to you at that time?

A. Yes, I selected that site.

Q. Then why was that abandoned after the foundations being laid, and the sewage and everything there, and on the main highway, to take off all eastern Ontario?

A. I could not say. I selected the site, but why the project did not go ahead, I could not tell you.

Q. The site at Smith's Falls—

HON. MR. LEDUC: Are you dealing with Smith's Falls or are we investigating St. Thomas?

THE CHAIRMAN: Mr. Drew was questioning the witness and then Mr. Strachan and Mr. Elliott and any other member can question after that, and in that way I think we get away from a lot of repetition, not that I want to cut off your question.

Go ahead, Mr. Drew, please.

MR. DREW: Q. You said you came back and reported this to Mr. Walters. Just so we will have the sequence of events—why were you reporting to Mr. Walters?

A. Well, Mr. Walters was our Deputy at the time. Mr. McAllister was just coming into the service at the time.

Q. He was then at that time the Deputy Minister of your Department?

A. Yes.

Q. Of the Department of Public Works?

A. Yes.

Q. And was your recommendation placed in the form of a written memorandum or report?

A. Well, for the last site I did not put in a report; I just told him about it, because it seemed to me—Yes, I did; I did file a report about that; I think it was around in May sometime—May 8th. It is May 8th.

Q. May 8th what?

A. May 8th I reported on that.

Q. May 8th, 1937?

A. 1937, yes.

HON. MR. CONANT: Q. Was that called the Kettle Creek site?

A. No, that site is on the opposite side.

Q. What name do you give to this one we are talking about now?

A. I call that the Todd farm site.

Q. The Todd farm site?

A. Yes.

MR. DREW: Q. Were you present at any discussions at which the decision was being made as to whether the hospital would be located there or in eastern Ontario any place else?

A. No, I just naturally went down there; They sort of left it to me. I suppose they had in mind—of course, I had no authority to say that, but I just assumed that it would be in the vicinity of London, and I had been looking over this section, and I just naturally went to it.

Q. Was that because it has been decided to abandon London?

A. Well, it had been talked about abandoning London, but apparently no decision had been reached. I assumed myself that it would be eventually abandoned.

Q. It is a perfectly simple question. It would seem to me that in deciding on the space you wanted and where you were going to locate, that the continuance or otherwise of the fairly large hospital at London would be an extremely important factor in reaching a decision?

A. Well, I looked around London quite a lot at that time and before that time. I looked around the old London Hospital quite a bit.

Q. I think it is fair to say that the decision must have been premised on the assumption that the London Hospital was not going to continue where it was; is that right?

A. Well, I can only assume that. It was in my own case.

Q. What is that?

A. It was in my own case.

Q. It was in your own case?

A. In my own case I figured definitely that London would be done away with.

HON. MR. CAMPBELL: Q. That is under the other government as well?

A. Yes, at all times I figured that.

MR. DREW: Q. I am merely asking if that was in your mind?

A. Yes.

Q. That London was to be done away with?

A. Yes, for a long time.

HON. MR. CONANT: Q. You say that had been discussed for the last ten years?

A. I had had that in mind for a long time.

Q. And was that because of some discussion that had transpired?

A. Well, there were a lot of people connected with the mental hospitals, and that subject seemed to be just about on everybody's mind that I would discuss it with.

MR. DREW: Q. Did the Ross report recommend that?

A. I believe so, yes.

Q. Did the Hamilton report?

A. I do not know.

Q. Well, you know the Hamilton report, do you not?

A. No.

Q. Have you not had occasion to consider it?

A. No.

Q. Well then, you said that you were favourable to the site in eastern Ontario that has been mentioned, that is, Smith's Falls. So that I may anticipate any question—I am not now debating as to the desirability of the two, but when you were choosing the site at St. Thomas, had you been informed that you would not be proceeding with the site in eastern Ontario at Smith's Falls?

A. Well, that question just seemed to be in the air. I never knew just what the decision would be about Smith's Falls, whether it would be gone ahead with or not. I have never known that.

Q. Would it not have a very direct bearing on the bed requirements in the new hospital?

A. Well, Smith's Falls, my understanding of Smith's Falls was that it would be like Orillia—for the mentally defective. My understanding of the London district was that it would be for strictly mental cases—adults; that is, one for juveniles and the other one, adults, mentals.

Q. Was the Smith's Falls project not as extensive a project as the St. Thomas one?

A. No, that was a smaller hospital.

Q. Do you know offhand what the estimated cost of that hospital was, a rough estimate?

A. Well, the estimated cost that I gave Doctor Robb was \$3,300.00 a bed.

THE CHAIRMAN: How much?

A. \$3,300.00 a bed.

MR. DREW: Q. For how many beds?

A. I have just forgotten the number of beds at Smith's Falls on that plan. I think it was about fifteen hundred, from memory? I can look it up if you want me to. I have not got it here.

Q. I am looking at it in this way, to tie it in as to the size and the necessity of completing to the full size at St. Thomas. I assume, in reaching any of these decisions, as part of the composite picture, you would have in mind what the bed accommodation was going to be at any other one point at that time. That would be in your mind, would it not?

A. Well, I looked upon that as a mental defectives hospital for juveniles.

Q. As far as this hospital is concerned, you look upon it as more of a hospital for the curative treatment of mental cases?

A. Yes, strictly mental cases, a curative centre for adults.

Q. For what?



A. For adults, for adult mental patients.

Q. And as a curative centre?

A. Yes, as a curative centre.

Q. And having that in mind there were different factors involved than you might have at Smith's Falls?

A. It was a different hospital entirely.

Q. At the time you were reaching the decision in regard to this hospital, did you take into consideration the possibility of such a hospital as this at some place like Smith's Falls? Would it have been desirable there? Would that have been a suitable point for it.

A. Well, I do not have the decision on matters like that, you see.

Q. Oh, I know that.

A. We are guided by the districts or the decisions of Doctor McGhie or the Health Department or the Minister of Health. We are more or less guided by that, and it is not for me to say as to what particular district it would go in exactly.

Q. Do not misunderstand me. I know you have not the decision as to the actual location; that is, after all, a thing for the Department.

A. I mean as to where the patients go.

Q. But nevertheless, you were asked to go and choose a suitable site, and what I am getting at is this: at one time you had thought that Smith's Falls was a desirable site for an institution, and I suppose you still hold that opinion, do you?

A. For mental defectives.

Q. Well, is there any difference in the ground characteristics required for a hospital for mental defectives, and a hospital as a curative centre?

A. No. I do not think there is.

Q. As I understand it, the one decision is as to the type of hospital there is to be: the surface characteristics would be the same in one place as another?

A. Yes.

HON. MR. CONANT: But the general district might—

A. Yes, it might be affected by the district and the population, but it would not make any difference as far as the land was concerned.

MR. DREW: Q. You mean as to which part of the Province they are going off their head faster?

A. Yes.

MR. NIXON: That is in eastern Ontario, of course?

HON. MR. CONANT: No, it must be in Western Ontario.

THE CHAIRMAN: Let us not get into that, or we will be getting up into the north country the first thing we know.

MR. DREW: I think the next question may be one that will take a few minutes.

THE CHAIRMAN: It is now 12.30.

HON. MR. CONANT: I move we adjourn.

THE CHAIRMAN: Are there any other resolutions?

HON. MR. CONANT: Do not invite trouble like that.

THE CHAIRMAN: I want to know for fear there are some witnesses to be examined.

If not, moved by Hon. Mr. Conant and seconded by Hon. Mr. Nixon, that we adjourn until ten o'clock to-morrow morning. (Unanimously carried.)

—Whereupon at 12.34 P.M. the further proceedings of this Committee adjourned until Friday, April 21st, 1939, at ten o'clock in the forenoon.

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## FIFTH SITTING

Parliament Buildings, Toronto,

Friday, April 21st, 1939, 10.00 a.m.

The further proceedings of this Committee reconvened pursuant to adjournment.

MR. J. M. COOPER, M.L.A., Chairman, presiding.

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THE CHAIRMAN: Order, please. The Secretary will now call the roll.

Whereupon the roll was called by the Secretary of the Committee.

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HON. MR. LEDUC: Mr. Chairman before we proceed with the evidence, I noticed at page 207 of the evidence, a slight mistake. Colonel Drew read into

the record yesterday a letter from Mr. McAllister to the Piggott Construction Company and page 207 in the last paragraph but one of the letter, it reads this way:

"The aforementioned price is based on a sawn finish if a planer finish is decided upon, a 95c. per cubic foot extra"—

I think that should be ".05c.".

MR. DREW: Obviously. I am sure I read it right.

HON MR. LEDUC: Oh yes, it was just a slight mistake.

THE CHAIRMAN: Well, the reporter will correct that.

HON. MR. HIPEL: Before you begin the proceedings, I find on page 226, there has been another slight error. I discussed this with the reporter this morning. Apparently there was some confusion at the time.

THE CHAIRMAN: What is it, Mr. Hipel?

HON. MR. HIPEL: At line 10 we find the following:

"Q. And the contractor—

A. That would be the responsibility of Piggott". What was said was this:

"Q. And the responsibility to the contractor", and the answer should read;—in the record it reads, "That would be the responsibility of Piggott"; it should read, "We would have the responsibility to Piggott".

THE CHAIRMAN: Well, the reporter will also make that correct in the record, please.

Now, gentlemen, last night at the adjournment we were examining Mr. Williams the architect. Is it the purpose of the Committee—

MR. BAKER: Mr. Williams, I understand, is on his way over now.

MR. DREW: Perhaps Mr. McAllister may answer this question, while we are waiting. Do you remember, Mr. McAllister, a question that was asked yesterday with regard to cut stone, as to the amount which would be required. Perhaps you could give that information in the meantime?

MR. McALLISTER: I think possibly I can; yes, Col. Drew.

RAPHAEL A. McALLISTER, recalled.

THE CHAIRMAN: Will you repeat the question, Colonel Drew, which was given to the witness at the time he was asked to dig up the information? Put it in your own words, if you wish.

MR. DREW: Q. The question as I remember it, Mr. McAllister,—by the way, it was not my question, perhaps you remember it?

A. Well, the answer is 212,775 cubic feet of stone in the buildings at present under construction at St. Thomas, that is, built or under construction.

Q. 212,000—

A. And 776 cubic feet.

Q. In the buildings under construction or under contract?

A. The buildings all under construction.

Q. The buildings that are under construction?

A. Yes.

Q. And have you an estimate of the amount required for the full plans?

A. No, I did not make that. I only covered the buildings under construction.

MR. FROST: Q. That is all on the basis of \$3.05 per cubic foot?

A. No, we do not know what the price is, excepting on the six pavilions. That was the only thing we had any direct connection with. The other stone was included in the general contract.

MR. DREW: Q. Well, just at that point while we are waiting for Mr. Williams, perhaps you could explain why these pavilions were dealt with on a different basis than the general contract?

A. In what respect, Colonel Drew?

Q. I understand you say the stone for the rest of the building was dealt with in the general contract?

A. I explained yesterday that on this contract for the six pavilions we called for the stone in a separate contract. In all subsequent contracts we included the stone in the general contract.

MR. DREW: I do not think I have any further questions.

THE CHAIRMAN: All right, Mr. McAllister. That is all. Thank you.

THE WITNESS: I might explain that Mr. Williams worked practically all night to obtain these figures. That may be why he is a little late.

THE CHAIRMAN: Oh yes; we are not reprimanding him at all.

The witness retired.



GEORGE NORMAN WILLIAMS, recalled.

THE CHAIRMAN: Q. Are you ready to go on, Mr. Williams?

A. Yes, Mr. Chairman.

MR. DREW: Q. Now, Mr. Williams, perhaps we can shorten the matter by saying you were asked to prepare certain material, I think, last night, were you not? Were you asked for certain information which you were going to prepare?

HON. MR. CAMPBELL: Mr. McAllister was.

MR. FROST: That was Mr. McAllister.

THE WITNESS: I believe you asked Mr. McAllister about something.

MR. DREW: Q. And that was the information which Mr. McAllister has already given the Committee?

A. The cubic feet of stone was the information which you asked for, I think.

Q. And that is the information you were to get?

A. Yes.

Q. Now, Mr. Williams, when it was decided to go ahead with this hospital, or rather when the general decision was made to construct a new hospital, were alternative plans prepared, having regard to different types of construction?

A. When the architect started in to make the working drawings, after the scheme was generally decided on, I think there was a tentative sketch prepared in brick, one of the pavilions in brick.

It was, however, a very preliminary sketch made to show the building in brick, with stone trim, and sills, stone around the windows, and stone copings.

MR. STRACHAN: Q. And that was for just one of the buildings?

A. Just one of them, yes.

MR. DREW: Q. Did you make any estimate on the basis of a brick building?

A. No, we did not prepare an estimate of that, but I believe Mr. Somerville's office prepared an estimate. They were considering more the cost of the exterior walls, and they found out that with the sills for the windows and the doors, and stone bands, and copings, and the general decorative features which would go with a brick building there was only about 50% additional required to face the building all in stone.

Q. Only about 50% additional?

A. Yes. I think that was about the comparison that was made. In round numbers, I think it was about that.

As I remember, I think it was on that basis that he recommended that the exterior be faced with stone.

MR. DREW: Q. Then it was Mr. Somerville who recommended that the exterior be faced with stone?

A. Yes, that is what I understood.

Q. What had your department recommended?

A. We had made no recommendations about that. You see, the outside architect, as I said yesterday, prepares the exterior design. He is responsible for the exterior elevation, and we felt more like leaving it with him, because the exterior design was his responsibility, and that was the reason why he made the recommendation. We did not recommend one way or the other, as to whether it should be stone or brick.

Q. Would there be before those who were making the decisions a comparative estimate of the different types of construction?

A. I believe Mr. Somerville discussed that—he did not—

Q. Discussed it with whom?

A. I do not know, Colonel Drew. You see, my part in this, as I said before, is the preparation of the layout, the inside of the buildings, the scheming of the whole thing. The actual details were prepared by Mr. Somerville, working drawings, and exterior design, and I think the Department's intention was not to try and curb him in getting a nice design, something which would look presentable. His representations were not to be on that.

Q. Is it not possible to make a very presentable building with brick?

A. Yes, but not as beautiful as stone.

Q. Oh no, not as beautiful. I grant you that. But after all, beauty was not the primary consideration.

A. The primary consideration was the welfare of the patients, and getting a layout which suits their needs best, but I feel that the beauty of a building is also somewhat important.

Q. From an architectural point of view, I agree with you, but do you think the difference between brick and stone would have any effect on the treatment of the patients, or on the welfare of the patients themselves?

A. The effect of stone?

Q. Yes?

A. Well, it is pretty hard to read all the patients' minds on that score.

HON. MR. CONANT: He is not a psychiatrist, you see.

HON. MR. NIXON: Do you think the Legislators would be as happy in this building, if it were made of brick?

HON. MR. CONANT: They would not be able to throw them as easily.

MR. FROST: Mr. Williams, in connection with that 50%, in connection with that 50% additional; how much would that amount to in dollars and cents? I do not want you to work all night answering that question, but roughly speaking, what does that 50% additional mean?

A. Well, I will see if I can explain. I will try to, if I can.

If you take the group that is all stone, that is, the pavilions, the dining-hall, and the infirmaries, and the hospital group, and you separate the power house, and the laundry building, and the nurses' home, and the garage as being ordinary brick buildings with stone trim and stone sills, you get an outside wall surface—that is, a net wall surface—in the stone group of about 306,000 square feet of face, and taking that at an arbitrary difference between the cost of the stone face, and the cost of the brick face, that would give you a difference of 153,450 square feet, as being 50% of that total area, and that would be a difference of \$141,183.00 for that 50% additional that is required to make it all stone, as against the brick with stone trim, stone sills, and so forth. In other words, the sills of the windows and doors, the steps, the coping, and the bands have to be stone anyway.

HON. MR. CAMPBELL: That is more expensive—

MR. DREW: I insist, Mr. Chairman, that we do not have any more direction from the Minister of Public Works, unless he is under oath, or until he is under oath.

THE CHAIRMAN: I think it would be well to let the witness who is under oath answer the questions.

THE WITNESS: That means, in round numbers, a difference of \$141,183.00 on the buildings that are all stone, from what it would be if they were brick buildings with the ordinary complements of stone, that is, I am speaking of a building that is 100% stone.

MR. FROST: Q. As compared with brick and stone?

A. Yes, where at least a large amount has to be stone anyway.

MR. ELLIOTT: Q. Mr. Williams, I understand one of the considerations in determining whether you should use stone or brick, is the maintenance cost of the exterior walls?

A. Yes, that is very important.

Q. What is the difference in the maintenance cost of brick, as compared with stone in the wall?

A. The way I view the comparison between brick and stone is that bricks have joints every three inches in the height, in addition to the joints at the end, probably nine inches apart. With stone it would depend on the size of the pieces of stone, but the joints are infinitesimal, as compared with brick.

It is the joints in the material which wash away and freeze and scale off which causes all the maintenance work to be done, repointing, with the attending scaffolding, from time to time.

Many brick jobs have to be faced up every three years, while with stone it does not have to be done nearly so often unless the frost gets in, or the heat scales it out, and expands it out, and even then it is not so noticeable on account of the joints being so small.

In brick, a tremendous amount of the face is in the mortar, which is the weakest part. I never figured out the comparative maintenance cost between the two, but I would say the difference in maintenance would be very considerable, and quite a factor to reckon with.

Q. To maintain a building of brick construction for a long period, say, 50 or 75 years, I understand the difference in cost becomes increasingly high as the years go on, as compared with stone?

A. Yes, that is particularly so when you have bricks, which you sometimes have, which are a little soft, and you get water into them, in the fall, and the water freezes, and scales the surfaces. That often happens in brick construction.

MR. FROST: Q. May I ask you a question? Say, for instance, the Orillia institution. There is a very large number of brick buildings there, in fact, I guess they are all brick. I have never seen very much maintenance work done on those walls. I may be mistaken, of course, but I have not seen a great deal of maintenance work done on those walls in the last 35 years, that I can remember.

A. There is quite a bit done. Brockville is a noticeable case—Brockville is very noticeable. That brick down at Brockville—why, it is almost a continuous job going around and fixing up the brick work, cutting out whole section, and replacing them.

Q. Is that due to the fact that it is an old construction, and possibly they used lime mortar, instead of cement?

A. No. The maintenance is in the brick. You get whole surfaces which scale right off, and there is nothing to do but take out the whole section, and replace them.

Q. Take the brick that is used in your public buildings; is that not very largely from your own plant at Mimico?

A. In some cases, it is.



Q. You make a pretty good class of brick out there?

A. The Mimico Brick is good brick, yes; it is good brick.

HON. MR. NIXON: Q. Mr. Williams, have you not had some maintenance cost at the Guelph School, which is comparatively new?

A. Yes, and also at the pavilion building at Woodstock? There has been a lot of maintenance work there in pointing, and due to it giving out around the copings.

HON. MR. CONANT: Q. One question: I think you told us before, in the case of stone, it is almost entirely labour, is it not?

A. That is the production of the stone?

Q. In the production of the stone, yes?

A. Yes, I think Mr. McAllister answered that.

Q. Do you concur in that?

A. Yes, sir.

HON. MR. MACAULAY: Now,——

HON. MR. CONANT: Let me finish, please.

HON. MR. CONANT: Q. There would be a much less labour cost in connection with brick, would there not Mr. Williams?

A. I think the comparative figures would show quite a difference, that is, to say, it would show a great proportion of labour in the production of stone, than in the production of brick.

Q. In other words, in the production of brick nowadays, they have machinery almost from the time it is taken out of the clay bank until it is loaded onto the trucks?

A. Yes. I was saying that I think the proportion of labour in the turning out of stone would be found to be much greater than in the turning out of brick.

HON. MR. MACAULAY: Q. Mr. Williams, how can you tell us how much the labour cost is, if you do not know how much the Queenston Stone Company got for their stone?

A. Well, Mr. Macaulay, I cannot tell you definitely. I say from the figures I have prepared, it would show that.

Q. I am asking you now; do you know how much the Queenston Stone Company are paid for their stone?

A. No.

Q. Then you do not know how much was profit and how much was labour?

A. No.

HON. MR. CONANT: Let me say that I asked the witness a question as an abstract one on a general situation, as to the difference in the labour as compared between brick and stone.

HON. MR. MACAULAY: Getting it out of the quarry?

HON. MR. CONANT: Not particularly from any particular quarry, or any particular brick yard. I think the answer was quite proper, and I am sure it is correct.

MR. FROST: Q. Mr. Williams, I would like to ask you this question: In connection with the Queenston Stone, I understand it is a fawn stone, and its labour costs are less than if it was a chipped stone job; is that correct?

A. I would rather have you get a stone expert to answer that,—an expert quarry man.

HON. MR. MACAULAY: Q. We would rather you would get the invoices from the Queenston Stone Company. That would help.

A. (No audible answer.)

HON. MR. HIPEL: Mr. Chairman, I would like to ask the witness a couple of questions with regard to maintenance.

THE CHAIRMAN: Very well, proceed, Mr. Hipel.

HON. MR. HIPEL: Q. There were several questions asked about the maintenance cost for brick as compared with stone?

A. Yes.

Q. Is it not a fact that where you have a brick building, a house, a residence, or a church, where you have a high roof, and wide cornices protecting the brick work, that lessens the maintenance cost; is that correct?

A. If you have a large roof over-hanging?

Q. An overhead roof, with the outside cornice to shut the water off the walls, would that lessen the maintenance cost?

A. Yes. If there is a large over-hanging there it is less trouble with brick work on the upper stories. It keeps the water out of the brick.

Q. On these buildings, you have flat roof?

A. Yes.

Q. And that affects the walls, as far as the upper stories are concerned?

A. Yes.

Q. If you have brick walls, and brick coping, you would have to have replacements in a very few years?

A. They are bad, yes.

Q. When you are trying to determine the cost of a building, you must take into consideration the life of the building?

A. Yes.

Q. And here you have a building constructed with what we term a "flat roof", and there is only a certain type of cornice you can put on there, and in a comparison between brick and stone, your stone building will last possibly 150 years; is that correct?

HON. MR. MACAULAY: Unless they move away from there, like they are doing in London.

HON. MR. HIPEL: I am speaking of maintenance costs.

THE WITNESS: Other than the simple work of pointing up the few joints in the stone, the stone would certainly last an awful lot longer than brick, particularly up around the copings. Brick copings go to pieces very quickly.

Q. If this building was constructed with brick outside walls, and a flat roof and no overhanging cornices, the chances are in 10 or 15 years a portion of it would have to be replaced?

A. That is quite true. I agree with that entirely.

Q. Now, by building this all of stone, outside of the little repointing—outside of that, its life is anywhere up to 150 years, with stone?

A. Yes, sir.

MR. FROST: What would the life be with brick?

HON. MR. HIPEL: Less than 10 years.

MR. FROST: Q. Mr. Williams, all your plans call for stone copings; there is no argument on that; all your plans call for stone copings and stone sills—

A. And stone steps.

Q. And the figure you have given of the extra cost of \$141,000, applies to the walls only leaving out the windows, and the copings, and so on, which are stone, in any event?

A. Yes.

Q. So that Mr. Hipel's question does not really apply to this case—brick coping was never considered?

A. No.

HON. MR. HIPEL: Mr. Chairman, the question I asked or wanted to convey, was this; if you put up a brick building of this type, with a flat roof, and no overhanging cornices, and put on the stone coping—whether it is stone coping or brick coping is immaterial—the upper portion of these bricks will not last beyond 10 or 15 years, whether it is of brick, or stone coping, where there is no overhanging cornice.

THE WITNESS: If the coping was carried well up above the roof, the wall would be in greater danger of deterioration, than if it was kept down, and our policy has been to recommend that coping be reduced practically to nothing—just a little turn up at the outside wall.

Under the old practice, the carrying of the coping up two or three feet above the flat roof level was followed. Our recommendation has always been to keep the coping very low, just a few inches above the roof.

THE CHAIRMAN: I know you have been working all night, Mr. Williams, but I wonder if you would stand up. I think we got along much better yesterday.

THE WITNESS: Yes, certainly.

MR. STRACHAN: I think if we keep order, we could hear the witness.

MR. WELSH: Q. When was the London Hospital built?

A. I beg your pardon?

Q. When was the London Hospital built?

A. I understand that London was built about 15 years ago.

Q. All of brick?

A. All of brick.

Q. Is it being abandoned because of the deterioration of the walls, or because of the fact that the interior is antiquated, and there is no fire protection?

A. Pretty well every point in the construction, as you look at it to-day, around London, shows deterioration. The floors, plaster, the outside brick—

Q. It is not being abandoned because it was built of brick?

A. Because it was built of brick?

Q. Yes?

A. Oh no.



MR. DREW: Q. And you know of institutions a hundred years old, built of brick, and they are still going, are they not?

A. Yes, but they have had a continual programme of maintenance all through their life.

Q. When you gave the figure of \$141,183.00 as the difference between the use of stone, and brick, you gave that figure for the building of brick, with such adequate stone as you would recommend, and the full use of stone?

A. Yes, stone sills, steps, copings, and bands.

Q. When you speak of a saving, of 141,183.00, if brick had been used instead of stone, you are contemplating in that figure the full use of stone where stone would be required in a brick building?

A. Yes, all the trim, and the sills.

Q. That \$141,183.00 would have been a saving on what?—on the buildings already constructed?

A. No, that figure applies to some that are under way now. That is, the outside exterior area, that is, the windows, including the hospital group as well.

Q. That is on the buildings at present constructed and under construction?

A. That includes, Colonel Drew, the pavilions, dining hall, and infirmaries, and the hospital group block, A, B, B-1, C, and D, but the other buildings which are not all stone, are not included in that.

Q. Well then, Mr. Williams, while perhaps you cannot give the exact figure, can you give any rough estimate of what the saving would be on the remaining buildings, if brick is used instead of stone—the remaining building of this plan?

A. You mean if we carried it out to the full?

Q. Yes?

A. I can make it, but I will want some time to do it.

Q. I do not want it done to the last dollar and cent, the way you have it here (indicating).

A. I have not planned the disturbed building at all; just accepted the general outline, but to fully answer your question correctly, I would want to sit down and make a plan of the disturbed building. I have not planned the custodian building at all.

Q. As the cost of the buildings will be about double, to what has already been built, would it be fair to say that the saving would be about the same as we have already had?

HON. MR. LEDUC: You said "The cost of that building would be about double what has already been spent". I think it will be about as much as has already been spent.

MR. DREW: Yes, the total cost will be double the present figure. I think my question inferred it clearly, because with the additional cost, the saving would be about the same as you have already mentioned?

A. I should want to make a little more accurate comparison than that. At St. Thomas there is a contemplated population of 3800, while now it is about 1812, and if you look at those figures, alone, it would be double, but there are a number of buildings now within the first group which are brick buildings. I would want a little time to sit down and figure that out.

Q. We do not want to keep you up all night, but will you get an estimate of what the saving would be by using brick instead of stone?

A. I will do that.

Q. And you have worked that out on the ordinary retail cost of brick, as compared with the cost of stone in this case?

A. Yes.

Q. Is it not so that you have your own brick plant?

A. At Mimico. There is a brick plant at Mimico—the Ontario Brick and Tile Company.

Q. That makes good brick?

A. Yes.

Q. Would not the figures be different if you used brick from there instead of the ordinary retail figure for brick?

HON. MR. CONANT: Does the witness know that? Does he know the cost of producing brick at Mimico?

MR. DREW: I am speaking to an architect in the Department of Public Works.

MR. DREW: Q. Do you know the cost of brick at the Mimico plant?

A. It delivers about \$22.00.

HON. MR. CONANT: Q. What is the retail?

A. \$22.00 retail.

MR. DREW: Q. And what would the ordinary retail price be?

A. Of a comparative brick?

Q. Yes?

MR. CONANT: Yes.

THE WITNESS: About \$24.00.

MR. DREW: Q. Is that all the difference there is?

A. Yes.

Q. I do not mean retail to your Department; but what would be the cost to the Government of brick required on a job of this kind, at the Mimico plant?

A. \$18.00.

HON. MR. CAMPBELL: May I point this out—if it will help you—that we pay the Department of the Provincial Secretary, as the former Provincial Secretary well knows, for this brick which goes into every construction, but that plant is not a large plant. It certainly could not carry and deliver to us all the brick which would be needed for all the work under construction.

MR. DREW: Q. Do you know the cost of brick out there?

A. I think the cost of the brick is \$18.00 to the Department. That is not including delivery, handling, or taking to the job, but I thought of that brick at the time these different hospitals were proposed, and I just could not see them turning out anything like the brick to handle our needs at all.

Q. I am sorry, I did not get your answer.

A. I said I thought of that brick at the time these different hospitals were proposed, but I could not see them turning out anything like the number of bricks we would require to handle our needs at all.

HON. MR. CAMPBELL: I was just informed by the Secretary's Department, that the price is \$21.00 at the plant.

MR. FROST: That is what you pay them, but the other Department makes a profit on that.

HON. MR. CONANT: It would take a firm of accountants six months to figure out the actual cost of the brick at Mimico.

MR. DREW: Q. One thing I am rather interested in is this; here you are contemplating the erection—oh, we will say without any reservation—of one of the costliest mental hospitals ever put up anywhere, and I am trying to find out what was before those who made the decision of the type of building they would put up? Were there sets of alternative plans made which would show this type of construction, or that type of construction, or did they just say, "Oh, all right, let us have the grandest and biggest and most expensive mental hospital ever erected"?

MR. ELLIOTT: Before the witness answers that question, I want to correct the statement made by Colonel Drew. He said, "It is one of the most costliest mental hospitals built anywhere"; the evidence was given yesterday that Whitby was cheaper—

MR. DREW: That is explained on the basis of the overhead as related to beds.

MR. DREW: Q. Did you or anyone in your Department examine similar institutions in the United States, before this was built?

A. Yes, I did.

Q. Did you see any big and very elaborate new mental hospital in New York, just completed?

A. You mean the Pilgrim State?

Q. The one down there—

A. When I was down there, the Pilgrim State was only started.

Q. Made of brick?

A. Yes.

Q. Entirely of brick, outside of the coping, and steps?

A. Yes.

Q. Did you consider that, having regard to the very much larger institution down there, that there might be some reason for the adoption of brick instead of stone?

A. I look upon the matter of adopting brick versus stone as the choice of those responsible for making the decision as to what it is to be built of.

Q. Your answers have been very clear, but I am trying to get a clear picture of something which seems to me to be of vital importance in determining whether these items are justified or not. As I conceive it, any group of business men sitting down to decide the question of, let us say, a building of a new factory building, they are going to put up, after they had already decided they were going to start a certain industry, would want a submission of different types of plans, and different types of contracts. I may say that I have had some experience along that line, and I am sure that no competent Board of Directors would disagree on that. Do you mean to say there was no clearly drawn plans and estimates which should be contemplated before the adoption of contracts in this particular case?

A. I believe that Mr. Somerville took that into account.

Q. But you, yourself, do not know?



A. He did not take it up with me.

Q. You have not seen any alternative estimates of costs?

A. As I explained before, the exterior design is not my part. I believe Mr. Somerville did go into that, and take it up with the Department for their decision on it, but that is not my part.

MR. FROST: As regards the nurses' home—

MR. DREW: Just before you take that up, Mr. Frost, I would like to ask one other question.

MR. FROST: Very well, Colonel.

MR. DREW: Q. Mr. Williams, after all, I do not want you to answer any question beyond what you actually know, and may I assure you that in pressing these points I am conceding your absolute good faith, and skill and everything else in connection with all this, but I am trying to follow it through to a clear understanding of what took place. Do you, yourself, as the architect of this Department, know what was before the Department of Public Works when reaching a decision as to the type of building which was going to be put up in this case?

A. I believe that Mr. Somerville submitted a design for brick and stone.

Q. Would you have those here?

A. No, I did not have those.

Q. Who would have them?

A. Just to what extent that was figured out, or submitted, I cannot answer.

HON. MR. MACAULAY: Q. Where would they be?

A. They might have been a very tentative sketch. Mr. Somerville would probably have them.

Q. What about the Provincial Architect; has he not any duties in this matter?

A. I imagine he would be consulted about it.

Q. Do you not know whether he was consulted or not?

A. No, I do not know, for sure.

Q. What does he do to earn his money?

HON. MR. CAMPBELL: We have a lot more to do in the Department—

HON. MR. MACAULAY: You are doing very well. You had your night last night.

HON. MR. CAMPBELL: After all, I delegate the duties there.

HON. MR. MACAULAY: I want the answer from the witness.

MR. DREW: We want the answer from somebody who knows.

HON. MR. CAMPBELL: Well, if I delegate them, do you think I do not know?

MR. DREW: No, I do not think you do.

THE WITNESS: Mr. White is the Provincial Architect. He is my chief.

HON. MR. MACAULAY: Q. What are his duties?

A. He supervises the whole architectural section.

Q. Did he have anything to do with this job?

A. Oh yes, all the way through.

Q. Why would he not have some plans or duty with reference to these alternative plans?

A. He probably has.

MR. DREW: Q. Can you tell us any more or not, as to the actual method by which a decision is reached by the Department in matters of this kind? Let me make that very clear. Can you tell me how a decision is reached with regard to the establishing of the building and the location of an extremely important building of this nature—as to what they have before them when the decision is made?

A. You mean by that—

Q. Mr. Williams, at some point someone decides that this building will be of a certain type, and erected in a certain locality. That, I assume, is the decision of the Department, under the Minister himself, but can you tell—and if you cannot, simply say so—can you tell me what they would have before them when that decision is made?

A. Either Mr. White or Mr. Somerville, or both, I would imagine would take that up with either the Deputy or the Minister, as to what actually would be used for the outside elevations, and I understand that was done, and Mr. Somerville recommended stone.

Q. Who was the Minister at the time this decision was made?

A. Mr. McQuesten.

HON. MR. LEDUC: Q. Before we leave this point, I would like to clear

up one thing. You said first of all, Mr. Williams, there would be a difference in the cost as between brick and stone of about \$141,000.00. Later on Colonel Drew in his examination referred to a saving of \$141,000.00. If that would be a saving, on the initial cost of the building only, but in the long run with a higher cost of maintenance for a brick building, then the saving would not be as much.

A. That is the saving in the case of construction?

Q. Construction only?

A. Yes, but the maintenance cost would be much less for the stone than for the brick.

Q. So there would not be a saving in the long run of \$141,000.00? That is the difference in the cost of brick and stone in the construction of the building?

A. Yes, you would eat up a lot of that in maintenance cost, over a period of years.

MR. DREW: Q. Mr. Williams, just to finish that through; I think you will agree in the actual development of mental hospitals, the United States has gone very far, particularly in these past few years? That is, from a technical viewpoint, they are probably regarded as the leaders in the whole world in the construction of buildings of this type, are they not, at the present time?

A. There has been a lot of good hospitals built over in the Old Country.

Q. I beg your pardon?

A. There has been a lot of good hospitals built over in the Old Country. I would say they have just kept up their end.

Q. That who kept up their end?

A. The United States have kept up their end. I do not say that they have built better hospitals.

Q. I am merely referring to the evidence already given here. You will agree they are very advanced in their practice in dealing with mental illnesses in the United States at the present time?

A. Yes.

Q. Now, you have already referred to the fact in this very large new hospital built near New York, the Pilgrim Hospital, that is brick and stone?

A. Yes, sir.

Q. You personally have no way of knowing how they decided to use brick instead of stone?

A. No, I know there is a tremendous amount of stone detail on it.

Q. That is true, but the building itself is of brick? The walls are of brick?

A. Yes.

THE CHAIRMAN: Q. Just one question that was left kind of in the air. Mr. Williams, in connection with the possibility of getting this brick from Mimico: did I understand you to say you cannot imagine the Mimico plant turning out this amount of brick? What did you mean by that? Was it in relation to the capacity of the plant?

A. Yes, the capacity of the plant, when I thought of the St. Thomas, Woodstock and Port Arthur construction.

MR. FROST: Q. Are the walls of the Woodstock hospital constructed of brick?

A. Yes.

Q. Where did you get that?

A. That was bought outside.

Q. You did not get that from Mimico?

A. No.

Q. Why not?

A. Are you asking me for my own opinion?

Q. Yes.

THE CHAIRMAN: Do you know?

A. The red brick job with a stone job, would be distinctly discordant.

MR. DREW: Q. Would be what?

A. It would strike a distinctly discordant note with the other work.

Q. What kind of brick is it in St. Thomas? White brick?

A. No, it is a buff shade.

Q. Would you not make that at Mimico?

A. No, they cannot make it at Mimico.

MR. DUCKWORTH: Mr. Chairman, we have two types of buildings here (indicating); we have a stone building, and a brick building, and as far as I can see from here, there has been no maintenance on the brick building any more than on



the stone building. The buildings are there over 50 years, one is brick, and one is stone, and as far as maintenance is concerned, I do not think there is any more maintenance on one than on the other.

MR. OLIVER: You mean on the brick building?

MR. DUCKWORTH: Yes, he said it cost more for the maintenance of brick than of stone.

THE CHAIRMAN: Order, please. We do not want any cross-fire between the members of the Committee—

MR. DUCKWORTH: I want to bring out my point.

THE CHAIRMAN: Do you want to put your point in the form of a question to the witness?

MR. STRACHAN: Let the witness tell about the maintenance of the University buildings, if he knows.

MR. DUCKWORTH: Mr. Chairman, I do not interject many questions into this Committee. I am asking of the architect a question (to the witness) Do you, to your mind, think there is any more maintenance on a brick building than on a stone building? There has never been repairs put on the buildings, and the buildings were both built approximately at the same time.

HON MR. MACAULAY: Ask the question.

HON. MR. LEDUC: Before the witness answers that, I would like him to say if he has ever examined the buildings with a view of giving an opinion?

MR. DUCKWORTH: I want an opinion, does he say it costs any more to maintain a building built of brick than to maintain one built of stone?

THE CHAIRMAN: Q. Do you care to answer that question from looking out of the window, or not?

A. I do not know what the maintenance costs are on the buildings.

Q. Then your answer is "I don't know"?

MR. DREW: Just a minute—

MR. DUCKWORTH: His argument hinged on buildings built and maintained afterwards, and it has been brought out here that the maintenance has been more in the case of brick than in the case of stone.

THE CHAIRMAN: Mr. Duckworth, I want to be fair. I will ask the reporter to read your question to the witness.

—Whereupon the following question was read to the witness:

“Q. Do you, to your mind, think there is any more maintenance on a brick building than on a stone building? There has never been repairs put on the buildings, and the buildings were both built at approximately the same time”.

MR. DREW: May I just reduce that question a little? I think Mr. Duckworth is obviously referring to the Medical building, and the Library building of the University, the Medical building being of brick, and the Library of stone. Looking from here, he is asking if there is any more maintenance charges on the brick Medical building, than on the stone Library building?

THE WITNESS: I do not know that case at all, but my experience has been that brick requires a lot of maintenance, while stone requires very little.

HON. MR. CONANT: Q. May I just ask a question?

THE CHAIRMAN: Yes, certainly, Mr. Conant.

HON. MR. CONANT: Q. Well, Mr. Williams, is it not perfectly obvious and true that for some years there would not be any difference; the maintenance comes at a later stage in the existence of these buildings, does it not?

A. Yes. Sometimes if frost hits a joint in the brick work, it will go, even before you think.

Q. Generally speaking, the maintenance comes as the building gets older?

A. Yes. Usually it starts to show up sooner.

MR. WELSH: Q. Does the actual labour in constructing the walls of stone run about the same as brick, or is one more than the other?

A. The actual labour?

Q. I mean, does it take longer and more labour to build a brick wall than it does a stone wall?

A. No, I do not think there would be much difference there.

Q. Then, you decide on stone, but is stone—your argument that it is more lasting and so on—why was it not done in all the buildings? Why have you some brick and some stone?

A. Do you not think you are asking me a question that should be directed to those in charge of the policy? I do not determine the policy of the Department.

Q. No, but I am asking you. It seems to me the argument is that stone is more resistant, and you are building for the future, irrespective of the fact that the interior might collapse. It would seem to me if that is better in the long run, why some stone buildings and why some brick buildings? Why not all stone?

MR. STRACHAN: Mr. Chairman, I think you have already ruled that

questions affecting policy are not permissible, and in effect that is what Dr. Welsh is asking.

THE CHAIRMAN: Yes, that is well taken, because at different times some people decide one question of policy, and sometimes it is decided in another way—

MR. FROST: Would it be fair to put a question in this way; from the architectural standpoint, would it not be better if they were all one or all the other?

THE WITNESS: Personally I am very glad that the main block of the institution is built of stone, as far as appearance is concerned, and durability. But I think it is all right that the buildings that do not just form the hospital block proper—I think it is just as well that they be in another material. I do not see any objection to that.

Q. Do you think the nurses' home is just as durable as the other?

A. As durable?

Q. Yes?

A. No, it is not as durable as stone.

Q. Do you think it would be better if the nurses' home were built of stone? Does that follow?

A. If the nurses' home was built all of stone, the same as the others, I think there would be less maintenance cost.

MR. CONANT: I do not think you can break this witness down on that. Let us get on with something else.

MR. ELLIOTT: Q. Just one question. You have explained that the action of frost and water causes damage to both stone and brick; is that so?

A. Frost and water?

Q. Yes, in the joints?

A. Well, as I explained, there are more joints in the brick work, and consequently there is more surface for the frost and water to affect.

Q. Would it not be a proper conclusion that stone would be more preferable the farther north you are?

A. The farther north?

Q. Yes, and the colder climate, that the stone would be more preferable or more desirable?

A. Yes, I would think so, on account of the frost.

Q. Therefore it might not be a fair comparison to use the structures that are built in some parts of the United States with those that should be built in Ontario?

A. Well, the farther north you are the more danger there is from frost.

MR. DREW: Q. There is not much difference between here and New York, is there?

A. No.

MR. ELLIOTT: Q. You are familiar with the Whitby institution, I believe?

A. Yes.

Q. It was explained yesterday the relative cost per capita for each patient of London as compared with Whitby; which structure would you say is the more durable?

A. Whitby or London?

Q. Yes.

A. Whitby or London?

Q. Yes—Whitby or St. Thomas?

A. I would say that St. Thomas is the more durable.

Q. How would you compare the maintenance costs of the two structures, of St. Thomas and Whitby?

A. I would say it would be more for maintenance for Whitby than for St. Thomas. Whitby is stucco.

Q. Yes, that is so.

A. Stucco is one of the most troublesome things for maintenance.

HON. MR. CONANT: Q. That is the worst of all?

A. Yes.

HON. MR. HIPEL: Q. What percentage difference is there between the entire cost of this building as between stone and brick; would it be one per cent or two per cent of the total cost of the building?

A. You mean the completed institution?

Q. Yes?

A. Well, I have not figured that out.



Q. Could you have that before to-morrow or the next day?

A. Yes.

Q. Another question: In determining the type of material to be used, whether brick or stone, does it not simmer down to this, that in certain localities stone is available at lower cost than in other localities, and it has a direct bearing; for instance, Colonel Drew mentioned this institution on the American side; there is a possibility of local material being available and in other cases not?

A. Well, that is possible, but I would not be familiar with just where—you might find an answer to that—that would take quite a lot of looking into to find out.

MR. KIDD: Q. The Mimico Brick and Tile is as close as the Niagara Company—the Cooksville Brick plant is also close by? Is it not?

A. I do not understand the question.

Q. Brick manufactured up here in Western Ontario is just as close as the Niagara Stone Company as far as the location goes?

A. With Mimico?

Q. Yes?

A. Yes.

MR. ELLIOTT: Q. Do you know the per capita cost per patient at Whitby as compared with St. Thomas, when it is completed?

A. The per capita cost?

Q. Yes, the per bed cost?

MR. WELSH: That is not a fair question.

THE WITNESS: I think the per capita cost at St. Thomas was Twenty-eight hundred and some odd dollars.

MR. STRACHAN: We have had that figure—\$2,857.

THE WITNESS: I think it is \$2,850.

MR. WELSH: Yes, \$2,850.

THE WITNESS: I think it is around \$2,850.

MR. ELLIOTT: Q. It was given in evidence yesterday that it is greater than the per capita cost at St. Thomas, slightly greater?

A. I think Whitby worked out at around \$2,890, if I remember rightly.

Q. Yes, something like that.

MR. WELSH: It is not a fair comparison, because Whitby is a smaller hospital. I understand it has about fifteen hundred or eighteen hundred patients?

A. Fifteen hundred is the normal, I understand.

Q. Well, the per capita cost in a hospital for fifteen hundred patients is more than that of a hospital for 3,850 patients?

A. Well, the per capita cost is a funny thing. It sometimes is not fair to take the per capita cost because after all, the per capita cost depends on the size of the buildings, and what you put into them, and how high they are, whether two or three stories, and the number of groups you divide them up into, and how many patients you put in each group, and all those factors enter into it.

Q. My point is this, that the per capita cost in a small hospital is higher than in a larger one?

A. Well, generally speaking, it is, unless certain variations in your plans change it, but you can do all sorts of things with per bed cost. There are a lot of factors entering into it.

MR. ELLIOTT: Q. Of course, Whitby is a cheaper type of construction?

A. Whitby is just stucco surface.

Q. And the other is more durable and the maintenance cost is less?

A. Yes, and St. Thomas is entirely fireproof. The roofs at Whitby are wood. The roofs on the cottages at Whitby are wood.

Q. Was it not built as a fireproof building?

A. It was built as fireproof up to the ceiling of the top floor, but the roofs are of wooden construction.

MR. DREW: Q. Can you give me any help at all in trying to find out who would actually know what material was available for consideration in reaching a decision as to the type of building that was to be erected?

A. Well, as I did not have to do with that; as I say, that is not my part. That would be either Mr. White, the Deputy, or the Minister.

Q. So it is simply that you were told that this was where the hospital was going to be and to go ahead with the arrangements?

A. I understood Mr. Somerville had recommended the stone. I was given to understand that Mr. Somerville had recommended the stone, and that that recommendation had been accepted, and that at least the main group would be built of stone.

MR. ELLIOTT: Colonel Drew suggested to this witness that this is where

the hospital is going to be, and to go ahead; I do not wish to take up any further time, but this witness very carefully explained yesterday how the site was selected and located.

MR. DREW: Yes, the exact site. That is all.

THE CHAIRMAN: Before this witness is through, I think Mr. Hipel asked that the witness prepare certain information and data, and last night this witness spent the whole night preparing some information to bring to the Committee to-day. Now, it might be, if there are no other questions to be asked of him, that it might be better and fairer for this witness to simply let that matter stand in abeyance, and if we require that information, to notify him at a later time. Will that be satisfactory, Mr. Hipel?

HON. MR. HIPEL: Yes.

MR. DREW: How long would it take to work it out?

THE WITNESS: That is the stone for the whole group?

MR. DREW: Yes, an approximate figure.

A. Well, if you would give me a fair time, it would be a week, because I have to plan some of the buildings. They are not planned yet. I have to plan the custodial buildings and the disturbed buildings.

THE CHAIRMAN: I think we went into that very thoroughly. Would you forego that question?

HON. MR. HIPEL: I just wanted a general idea of what it would be.

THE CHAIRMAN: You can see it is going to take this man a week to work that out—

MR. ELLIOTT: Suppose we just limit it to the buildings that are constructed or under construction.

THE CHAIRMAN: We have that.

MR. DREW: That is what he has done.

THE CHAIRMAN: I think the record is pretty complete.

MR. DREW: Q. That is what I was just suggesting, that the buildings are going to cost about double what has already been spent; without pretending for a moment to get you down to exact dollars and cents, would it or would it not be correct to assume that if the buildings are going to cost about twice what has already been spent that the difference would be about twice the difference you have already figured out?

A. Let me have a minute on that.

THE CHAIRMAN: Q. What is your answer?

A. I think it would be a little less than as much again. I think it would be a little less than as much again.

Q. I think that is satisfactory.

A. I had in mind that the plan for the disturbed group—

MR. DREW: We cannot hear the witness at all.

THE CHAIRMAN: Order, please. We are trying our best to hear this witness.

THE WITNESS: Where a larger number of patients are included in one group, such as in the disturbed buildings, and the disturbed buildings are to be a total of 640, and that is what used to be considered an institution in itself, and these two buildings with 320, that is more patients in the disturbed building than in the pavilions; the pavilions are 212, and these disturbed buildings will be 320, so the cost of the walls and all the cost will be slightly less on the disturbed patients. That is not the bed cost, because the bed cost would be higher, because we have more equipment—continuous baths and massage, and light treatment, and all the modern machinery will be in for the disturbed patients; but the wall costs will be less because you are housing a greater number of patients in one group, so it would be less, I would say.

MR. DREW: Q. So you would say, without in any way committing yourself to an exact figure, that the additional amount would be a little less than the amount you have already figured for the buildings constructed or under construction?

A. Yes, if the exterior surfaces are built of stone.

Q. Yes, if a similar type of construction is carried through as has been carried out already, the figure would be slightly less than \$141,000 for the remaining buildings?

A. Yes.

MR. ELLIOTT: Q. I believe the cost of the buildings constructed or under construction, according to your tenders, is about six million dollars?

A. Yes.

Q. One per cent of that would be—you have told us that the increase in the cost, the difference between the cost of the stone—the difference in the stone and the brick is \$141,000, and even sixty thousand would be one per cent?

A. Yes.

Q. So that it works out to about two and one half per cent on the whole thing?

A. Yes.

Q. So that is a very slight difference.



HON. MR. HIPEL: Before you dismiss this witness, I would like to ask a question.

THE CHAIRMAN: It seems to me that the people in the back of the room cannot hear the witness.

HON. MR. HIPEL: Q. There was some question asked yesterday as to why your Department engaged outside architects to prepare the detailed plans, and so on, and you gave us an explanation of that?

A. Why the department was not asked?

Q. Why the department engaged outside architects to do a portion of this work instead of your own staff?

A. Well, I believe the decision was reached because it was considered to be impracticable to try to do so much work and get it done quickly, and meet the needs of the overcrowded conditions in the hospitals, and it was decided it would be impracticable to try and do so much with the staff that we had, and also considering how almost impossible it would be to get additional help from the outside to come into the office. I looked around a bit myself, and it was surprising how few men were available, and how few architects were available at the time. I thought there would be more, but there were very very few, and it meant going to other architects' offices if you wanted to get really good men; it meant going to other architects' offices, and taking them on higher salaries to come into our department, which I considered at the time would be grossly unfair, and we could not possibly have undertaken such a volume of work. We just could not do it.

HON. MR. HIPEL: Q. You have a certain staff in your department to take care of normal requirements of expansion or maintenance, and so on? That is correct?

A. Yes.

Q. How many have you on your staff?

A. Well, I have a list here; around about that time, that is during May and June, there were ten men including the chief draftsman on our architectural staff.

Q. Your architectural staff is just large enough to take care of the normal requirements?

A. Just the ordinary day to day requirements. It would not begin to take care of a programme like that. That is a tremendous programme.

Q. At this particular time you had a number of other projects as well?

A. At the time that these plans had to be prepared?

Q. You had a number of other projects as well?

A. Oh, the men were all busy at the time.

MR. WELSH: Yes, there was an election coming on.

MR. FROST: Q. What was the big hurry in getting this under way?

A. Well, I would suggest you should read some of Doctor McGhie's reports about the overcrowded conditions of the hospitals.

Q. Has not that condition existed from about 1930 actually; it started about 1930. I was just wondering why a great rush in the spring of 1937.

MR. MACAULAY: The real emergency was that there was an election in prospect.

THE WITNESS: Mr. Macaulay—

SEVERAL HON. MEMBERS: Oh, oh.

THE WITNESS: The election had nothing to do with that condition.

THE CHAIRMAN: The witness said that the election had nothing to do with that condition.

HON. MR. HIPEL: I was asking the witness several questions.

HON. MR. HIPEL: Q. This was an unusually large undertaking, was it not; that is, it was a large—

A. Well, I had never seen anything like it before.

MR. DREW: And I do not think anybody else ever has either.

HON. MR. HIPEL: Q. What would you be up against—supposing that the ministers had asked you to go ahead and prepare all these plans and details in your own department; you would have had to go out and hire architects, specialized architects; is that correct?

A. We would have to have gone out, and as I said before, we would have had to have gone to other architects' offices. I could not find men available. I made a survey of that myself. I could not find men available that I considered would fill our bill at all. We would have had to go out to the architects' offices and offer them higher salaries to come into the department.

Q. Would you have had the space available in the East Block of the Buildings here to accommodate the extra staff you would have had to hire?

A. Well, we would not have space in our present drafting room. We would have had to take offices from other people down the corridor, and extend it down.

Q. And you would have had to purchase equipment and supplies, and so on, as well, a certain amount?

A. Oh, drafting boards and materials and T-squares. The draftsmen provide their own instruments though.

Q. That is the personal instruments?

A. Yes.

Q. Have you any idea of the number on the staff of this architect who was hired?

A. You mean just the ones on the St. Thomas project?

Q. I mean the regular staff in his firm?

A. You mean just Mr. Somerville on the St. Thomas?

Q. No, I mean his firm?

A. Mr. Somerville's staff?

Q. Yes?

A. I think he had about fifteen men. I think he had about fifteen men himself—fifteen men counting his assistant, Mr. Shore. He is an associate with Mr. Somerville. I think fifteen, and they have a stenographer there, and then, of course, there are the staffs—there is the staff you have to consider of the electrical engineer. I think he had two men with him. He worked out the electrical plans through Mr. Somerville. Mr. Somerville pays for that, you see, and then there is the mechanical plans—Mr. Angus. I think Mr. Angus has about five men and a stenographer.

HON. MR. CONANT: That would be about twenty-five people altogether.

MR. DREW: Q. This was not the only job Mr. Somerville had, was it?

A. Well, he used about that number of men on it to get the work out.

Q. For how long?

A. Well, I would have to see his time sheets to tell you.

Q. But roughly—for two years or for—

A. Well, the actual length of time that he would take to run up the pavilions?

Q. How long would he require a substantial part of the staff to prepare these plans?

A. Well, he has had that staff pretty well steady. Of course, he has not used it all the time on St. Thomas latterly, but there has been a continual programme in his office of checking shop drawings. He prepares the shop

drawings, and therefore the shop drawings go back to his office for checking, and we finally issue the shop drawings after he checks them, and we have had to look at them as well; but there would be that number pretty well steady for a year, and then he would maybe slack off to about half in the second period, and then coming on into the medical block and the administration and hospital group, he would probably have to throw that number on again to hurry up the hospital group. That is the last group that was put under way at the front of the institution.

HON. MR. HIPEL: Q. Mr. Williams, it would have been entirely impossible and impracticable for the Department, to ask you and your staff to take full charge of all this work?

MR. DREW: The witness does not need any answer to that. That is a statement.

THE CHAIRMAN: Put it in the form of a question.

MR. DREW: It is slightly in a leading form.

HON. MR. HIPEL: Q. Would you agree with that statement, if it is a statement?

A. I thought, as I said before, that they would need additional help.

Q. Would it have been possible from the efficiency standpoint, and from a practical standpoint, and also from the standpoint of time, for your department to develop all these plans that were completed?

A. We could not have begun to do it with this staff. We could not have made any headway at all. We could not have had enough time, and we have not got the capacity here.

Q. Is not the preparation of plans in a somewhat different category to, say for instance, you want to increase the manufacture of a certain commodity; you just go ahead and issue an order, and it more or less automatically takes care of itself, but in the preparation of plans it is a personal matter; or in other words, only experts can do it?

A. It has to be an architectural draftsman who has had at least fifteen years' experience—ten or fifteen years' experience.

Q. You told us in your former evidence that the expert architects to develop these plans would not have been available; that is, idle, to pick them out on the street?

A. There were not men outside around Toronto. There were about three. I could select about three. Beyond that, I would have had to have gone into an office and offered them more money to get them into our department.

Q. Would you say from a business standpoint that this was the proper procedure to follow?



A. It was the only thing that could be done at the time.

Q. The only procedure to follow?

A. There is no government can go into a private architect's office and take the men away from him. I could not see that.

MR. MACAULAY: Q. Mr. Williams, there did not seem to be the hurry for the Brampton institution as there was for the London institution?

A. Well, we got the schemes out for Brampton.

Q. You got up a scheme for one where it was better to do so due to the election?

A. I believe it is a matter of funds.

HON. MR. LEDUC: Are we concerned with Brampton now? It is a question of what the Committee is investigating.

MR. MACAULAY: We are concerned at the moment with what this department did, and why they hired others to do other hospitals, and he said they did the Brampton job, and I want to point out why they were able to do the Brampton job.

THE WITNESS: I am talking about—

HON. MR. CAMPBELL: Can I help you?

HON. MR. MACAULAY: You can make a statement if you want to.

HON. MR. CAMPBELL: All of the plans were gone ahead with as he suggests. A year ago, when we decided to spend a certain amount on hospital construction, the decision then had to be made, which I made along with the Minister of Health, that if we were going to get any beds at all, the best way would be to rush the ones that were closest to completion, and they happened to be St. Thomas and Woodstock, and instead of spending the money last year on Brampton and Port Arthur and St. Thomas and Woodstock and ending up this year with no beds available, we rushed St. Thomas and Woodstock; and Brampton and Port Arthur will be gone ahead with.

MR. MACAULAY: Q. You do not think the resulting election had anything to do with it?

A. No.

MR. DUCKWORTH: Q. Was not Brampton started before St. Thomas?

A. Oh, no; I let the first contract for Brampton after I came in after the election.

Q. And then it was stopped after the election?

A. No, it was constructed just the same.

MR. DOUCET: Q. Mr. Williams, some little while ago you mentioned the urgent need by Doctor McGhie's report; when was that report made?

A. Well, I cannot answer that question, because those reports do not come to me. They usually come to the Minister or to the Deputy, as to the needs of hospitalization.

Q. You have no idea when that report was made; would it be two years ago or a year ago or three years ago?

A. Well, this picture of this overcrowded condition—I know it first came to me very vividly during the winter of 1937.

Q. During the winter of 1937?

A. Yes.

Q. You knew nothing about it previous to 1937?

A. I knew—yes, there has always been that condition in a small way.

Q. Did the condition exist, would you say, in 1936?

A. I think that Doctor McGhie's representation of the tremendous and serious condition was during the winter prior to the year that the start was made on St. Thomas.

Q. 1936?

A. Yes, 1936-37.

Q. The condition did exist in 1936, did it?

A. Well, it must have existed during 1936, but this representation that came from the Health Department of the very serious situation, as I remember it, was in the winter of 1936-37.

Q. In the winter of 1936-37?

A. Yes.

Q. And you think that was about the time of the report?

A. Yes. I know it was around about that time that we started looking for temporary accommodation and factory sites, as I explained yesterday.

Q. Yesterday in your evidence you answered a couple of questions regarding the location at Smith's Falls. Might I ask you if the sewage was recommendable at that place? Was it suitable for the institution that was under way?

HON. MR. LEDUC: Just a minute. Might I repeat my objection, Mr. Chairman? Are we dealing with Smith's Falls or on a certain item in the estimates concerning St. Thomas? I want a ruling on that point, Mr. Chairman.

THE CHAIRMAN: I think that that objection is well taken, Mr. Leduc. If we are going to start comparing this with every other institution we are going to be a couple of weeks. The resolution simply deals with the item in the Public Accounts dealing with the St. Thomas Hospital, and I might point out that the records has all the information you are asking. It was gone into very thoroughly when Doctor McGhie was in the box.

MR. WELSH: Not what he is referring to.

MR. DOUCET: He answered part of it yesterday, and it would be in order to finish it to-day I think.

MR. WELSH: He said that he approved of the site yesterday.

HON. MR. LEDUC: I raised that objection yesterday and to-day.

MR. ELLIOTT: There has been some question that this work was started in the spring of 1937 for no good cause. Is it not a fact that it was reported to you that there was an urgent need for immediate accommodation, and you looked for certain factory sites as well.

A. That is true.

Q. And that was just a few months prior to the time the construction at St. Thomas was started? That was just a few months prior to the time the construction at St. Thomas was started?

A. Yes.

Q. And do you not know from general reports that the condition caused by overcrowding was simply intolerable in some of the institutions?

Q. Yes, I knew that.

THE CHAIRMAN: Is that all of this witness, gentlemen?

HON. MR. CONANT: You made a remark there that seemed to cause a lot of mirth. I think you said you had never seen a job like this before.

MR. DREW: I think he said he had never seen anything like this before.

HON. MR. CONANT: All right, and this institution will ultimately have a capacity of some 3,800. Did you refer to the size of the institution?

A. No, I referred to the fact that there was so much work all at once.

Q. Of course, that arises from the size of it?

A. There was an urgent need for the accommodation. There was an awful lot of work to do in connection with it.

Q. And it is the biggest institution you have ever had?

A. Yes, it is the biggest institution.

Q. And almost a town in itself?

A. Yes. Our institutions are pretty well under two thousand. Orillia is two thousand, and that is the largest. They are all under that. It is the biggest thing that—

Q. It is approximately twice as large as any other institution?

A. Yes, that is the biggest thing we had.

MR. DREW: Q. I will just follow up that question. Mr. Conant said this was possibly twice as large as any other institution of its kind. Is that right—in Ontario? Is that approximately correct?

A. Well, the institution built in Orillia. As I say, they go from about a thousand up to two thousand. The average is fifteen hundred.

HON. MR. CONANT: Q. And this is 3,800?

A. Yes.

MR. DREW: Q. Do you know the maximum cost of any other institution of a similar kind in Ontario?

A. In Ontario?

Q. Yes?

A. The maximum cost?

Q. The cost of the whole institution, of any other institution of its kind in Ontario?

A. There is not any other of its kind in Ontario—you mean in size?

Q. Well, what was the most costly mental hospital in Ontario?

A. Whitby was the last one. That is why we looked up the cost of that.

Q. And the total there was approximately—

A. The total was about \$4,400,000, I believe. It worked out at about \$2,890 a bed, I think, or something like that.

Q. In any event, the total of the largest institution before this was about \$4,400,000?



A. Yes.

MR. NEWLANDS: Q. Just previous to the 1934 election there was an urgent need, too, was there not?

A. What is that?

Q. Just previous to the 1934 election there was an urgent need, too, was there not?

A. Yes.

Q. You had a building in the course of erection at Hamilton, did you not, and it was so urgent that you could not call for tenders; is that not so?

A. You refer to the nurses' home?

Q. Yes?

A. Yes.

Q. Mr. Macaulay made the statement there was an urgent need because it was just before the election.

HON. MR. HIPEL: Q. When you refer to the unusual building, you had reference to the size alone, and not the building itself being unusual?

A. The size?

Q. Yes?

A. It was a tremendous size—3,850—yes.

Q. Do you know of any other institutions in Canada that are larger than the proposed St. Thomas one?

A. Yes, there is one in Quebec.

Q. And there are some on the other side as well?

A. Yes, they go up to eight thousand in the States.

MR. CONANT: Well, they have a higher ratio of mentally ill people than we have here.

HON. MR. LEDUC: Q. You referred to the one at Pointe aux Trembles?

A. Yes.

Q. What is the population there?

A. I think it is over four thousand.

Q. What is the cost of it?

MR. DOUCET: Q. Was there an urgent need when the Smith's Falls Hospital was started?

HON. MR. LEDUC: I again repeat my objection about Smith's Falls.

MR. DOUCET: It is quite unfair to protest in this case when the other question was answered.

THE CHAIRMAN: Mr. Doucet, I have given quite a lot of latitude and we have been wandering all over the field quite wide of the inquiry, and let us not have any political cross-fire. Let us get ahead with the resolution and examine these accounts which we are really sitting to go into.

MR. DUCKWORTH: Mr. Chairman, I will ask one blank question: How is it so many people went crazy all at once? (Laughter.)

HON. MR. NIXON: Mr. Chairman, I would call that a blank, blank question.

THE CHAIRMAN: Maybe it is the result of questions like that. You do not have to answer that question, Mr. Williams. Is that all? (No response.)

THE CHAIRMAN: All right, Mr. Williams.

CHESTER S. WALTERS, a witness being called and duly sworn, testifies as follows:

MR. ELLIOTT: Do you not think you should read the resolution as amended so all the members will know what it is. I meant the motion, rather.

THE CHAIRMAN: Very well.

The motion is moved by Mr. Macaulay, and seconded by Doctor Welsh, that Chester S. Walters, Controller of Revenue of the Province, be summoned to appear before the Public Accounts Committee at the next session thereof to give evidence with reference to the statement of Gross Ordinary Revenue, Gross Ordinary Expenditure, Cross Capital Receipts, Gross Capital Payments for the Fiscal Years ending March 31st, 1938 and March 31st, 1939. And to produce before the Committee all documents, books and memoranda relating thereto,

and that was amended, striking out the words, "March 31st, 1939," so that it is Gross Ordinary Revenue, Gross Ordinary Expenditure, Gross Capital Receipts, Gross Capital Payments, for the Fiscal Year ending March 31st, 1938.

MR. MACAULAY: Q. Mr. Walters, you have brought down, I see, the Public Accounts for the last previous fiscal year?

A. Yes.

Q. And that is for a few years previous?

A. For two years.

Q. So we will get something like a continued picture of the public finances in the Province—first of all, you are still adhering to a system of cross entries in the Public Accounts of the Province?

A. Yes, we have adopted—we have the same system as the English system. The Chancellor of the Exchequer of England, I think, introduced this system some years ago, and it was copied in Canada, and in Ontario, I think around 1931 or 1932.

Q. And that was the famous cross-entry system which prior to the advent of this Government had been criticized a good deal, but you believe it should be still adhered to, to give a true picture of the Ontario finances, do you?

A. I believe the Public Accounts give a true picture, yes.

MR. DREW: That was not the question.

MR. MACAULAY: I did not ask that. I would like to ask the reporter to read the question.

The Reporter reads as follows:

“Q. And that was the famous cross-entry system which prior to the advent of this Government had been criticized a good deal, but you believe it should be still adhered to, to give a true picture of the Ontario finances, do you?”

THE WITNESS: Yes.

MR. MACAULAY: Q. Why do you set up, for example, expenses—how do you word it in your column?

A. “Deduction of expenditures.”

Q. Yes, you call it deductions applicable to revenue or applicable to expenditures, as the case may be?

A. Because they are not in the correct sense public expenditures. For example, you read the statement that the Government is going to spend so much money in gross expenditures, say, 103 million dollars. This Government is not going to spend 103 million dollars. The Government will spend 90 million dollars. The other items arise in this manner: Suppose that the Provincial institution at Guelph, which has an industrial department, purchases materials and expends labour and depreciation to create certain articles. Their expenditure might be, for example, a thousand dollars. They might be constructing furniture for the St. Thomas Hospital, and the Public Works Department has given an order for furniture, and will perhaps pay three thousand dollars for the furniture. When the furniture is completed and delivered, an entry will be made debiting the Public Works Department and crediting the industrial department at Guelph, but the only expenditure that has taken place of public money has been

the amount expended for the materials and for the repairs to machinery that were made outside, and for the maintenance of the prisoners.

Q. What were the items for the fiscal year under review which would be deducted from the expenditures applicable to revenue?

A. On page ten of the Public Accounts—on page eleven—

Q. Yes, I notice a column headed "Deduct Revenue applied as a reduction to Expenditure"?

A. Yes.

Q. They come to a total of 13 million dollars?—

A. Right.

Q. —odd?

A. Yes, of which \$9,789,591.50 is interest.

Q. And then on the opposite page, page 11, you come to the Ordinary Expenditure—Gross Expenditure, 95 million dollars odd, and the next column is one in which you deduct the revenue applied as a reduction to Expenditure, of 13 million dollars odd?

A. Yes.

Q. Leaving a net expenditure of 81 million dollars?

A. Right.

Q. Now, the most substantial items in that 13 million dollar account are particularly the Department of Health, One Million, four hundred thousand dollars odd. What is that made up of?

A. A good deal of that might be perquisites.

Q. What do you mean by perquisites?

A. The amounts expended—I can give you the complete break-down if you like—amounts shown as expenditures and charged back against the staff for board and maintenance, and so on.

Q. That would be on the revenue side—the revenue from patients in the mental hospitals?

A. Yes. If you look on the other side you will see it is taken out there, too.

Q. How does it come to be the same amount—\$1,417,645.44? Is that the same



A. In that case in that department it is the same. In every department it is not necessarily the same.

Q. Explain that to me.

A. Because the revenue of a department such as the Health Department consists mainly of this same sort of item, what we would call the negative to expenditures, whereas in the Department of Agriculture, if you will notice the deduction of \$377,000 from the revenue, but only \$355,000 is deducted as expenditure.

Q. I want to get the difference in number.

A. I can best explain it by giving you an explanation of that item.

Q. Yes.—

A. And I will get that for you.

Q. Maybe that is the best way?

HON. MR. LEDUC: I do not want to interfere with your examination, but there are some particulars given of that last item on page fourteen of the Public Accounts.

HON. MR. MACAULAY: Of which item?

A. That is in the mines, for instance?

HON. MR. LEDUC: No, 14, agriculture.

THE WITNESS: I will give a break-down. I will get the full particulars.

HON. MR. MACAULAY: I am just trying to arrive at an understanding of the principle on which you do it. In Mr. Dunlop's day, Mr. Nixon used to object most bitterly to any of these deductions.

HON. MR. NIXON: Not to any of them, but to the deducted forty million dollars.

HON. MR. MACAULAY: I will give you an opportunity to open up.

HON. MR. NIXON: You are pulling me into it now.

HON. MR. MACAULAY: Sure.

THE WITNESS: You will find, that the total of the revenue column, taken on page ten, you will see a total deducted from revenue of \$13,785,000, and then you will see the same total on the other side.

HON. MR. MACAULAY: Q. I do not know why they should be the same?

A. Well, the grand total is the same, and if you take the time to break this down I think you will find these are in public debt and interest and exchange, and it might show it on 258—but that is the situation.

Q. I do not see why they should amount to the same. They are different things, and why they should amount to the same sum—

A. With respect to this department they are different, and they are probably included in this item—public debt, interest and exchange—of \$9,789,591.50.

Q. Well then, you have looked at the previous accounting in which these cross entries were set up, and as Mr. Nixon says, formerly they ran into higher sums. Have you any different way of setting up these accounts than your predecessors did, that would reduce that amount?

A. I have not made a study of the old accounts, but I do not think the system has varied greatly, except that all the time the men are trying to improve a short-cut, but that would be just a process of time.

Q. If you and I could go into say Agriculture and Health—maybe if we can go into all these before the next session of the Committee, we can do away with any further, and if you, Mr. Chairman, want to represent the Liberal side, it will save time, and we can go over the documents together.

THE CHAIRMAN: Yes, that is agreeable. I presume Mr. Strachan or Mr. Elliott will go into them with you.

HON. MR. MACAULAY: Q. Where is the debt position—before we leave that statement on pages ten and eleven, Mr. Walters, you might elucidate the item, Q-58, at the bottom of page 11, public debt and interest and exchange, etc., in which you have a deductible item there of \$9,789,591.50. Have you a break-down to show how that is made up?

A. Yes, sir.

THE CHAIRMAN: Where is that item?

HON. MR. MACAULAY: On page 11.

THE WITNESS: I am just trying to locate an item here.

HON. MR. MACAULAY: Q. Yes, I do not see any statement anywhere else in the book—

A. No, I am sorry I cannot work that out just now. I will work that out. There is a difference here of \$250,000, which I think is the amount carried down from these other items on page ten.

Q. I notice on the other side, for example, in your Provincial Treasurer's column, there it is \$9,941,000. There is a difference there of pretty nearly \$200,000 there. There may be—that may be the solution of it.

A. Yes, that plus the sum of these other items.

Q. If you get a statement of that we can go into it on Monday, Mr. Walters?

A. Yes.

Q. With reference to the revenue items shown on page ten, the largest is under Provincial Treasurer, and the largest under Provincial—that again is succession duties. Where are they shown in the Public Accounts—the revenue from succession duties?

A. On page 29.

Q. On page 29, at the bottom of the page—

A. The details are on page 39. It is page 39—statement number 29.

Q. Well, that is the detail by counties. I refer you to page 29, in which the succession duty is shown as \$20,214,183.30?

A. Yes, the details of that are on page 39.

Q. It does not give any specific detail other than the counties from which it was raised. I would like you to furnish me with a statement of the estates that paid the amount making up that amount of \$20,214,000.

HON. MR. LEDUC: Is not that against the law? Is there not a clause of The Succession Duty Act—

MR. DREW: Apparently it is not against the law to read statements in the House.

HON. MR. MACAULAY: The Minister of Public Works went into that statement last night. I am going to go into them.

HON. MR. CAMPBELL: That was public evidence.

HON. MR. MACAULAY: We are having public evidence here, too.

HON. MR. CONANT: I call your attention to Section 39 of The Succession Duty Act—

HON. MR. MACAULAY: I told Mr. Walters I was going to ask for this, and I asked him to consult the Minister and make up their mind what they wanted to do about it.

HON. MR. CONANT: The Section of the Act reads as follows:

“All information and material furnished to or received by the Treasurer under the provisions of this Act shall be confidential and no person shall communicate or allow to be communicated any such information to, or allow access to or inspection of any such material by any person”—

and then they go on to detail it, and those are the persons in respect of estates.

or the donees, and that is the law, and until it is changed, not only do I not think that this Committee has jurisdiction, but I do not think it is lawful for the Assistant Treasurer to disclose anything from the Succession Duty files.

MR. DREW: That clearly is the law and should have been observed as the law, but for the past few years the Provincial Treasurer, who is also the Premier of this Province, has been making scurrilous public statements about people who are administering certain estates in this Province, and has made statements that have left no doubt about which estates he was referring to, and I think in the interests of public decency we should be allowed to go into all these estates.

SEVERAL HON. MEMBERS: Hear, hear.

THE CHAIRMAN: If it is the law, as Mr. Drew has said, we should not investigate these accounts, and if somebody has made a mistake and trespassed in the past in doing that, does that give us authority to do it here? I should say not.

HON. MR. MACAULAY: I move, seconded by Mr. Drew, that this Committee request authority from the Department or the Legislature, or both, if necessary, to obtain the details of the item of revenue on page 29, Succession Duties, \$20,214,183.30.

THE CHAIRMAN: Have you that resolution in writing?

HON. MR. MACAULAY: The reporter can read it out. That is what we pay him for.

HON. MR. CONANT: You made it alternative; what do you mean by "The Department or the Legislature"?

HON. MR. MACAULAY: We will make it "and/or".

HON. MR. CONANT: I do not know what it means, but it knocks you cold when you see it.

HON. MR. NIXON: Just like, "If, as, and when".

HON. MR. MACAULAY: Either or both.

THE CHAIRMAN: Please read the resolution as dictated by Mr. Macaulay, to the Committee.

Whereupon the following resolution was read by the reporter:

"HON. MR. MACAULAY: I move, seconded by Mr. Drew, that this Committee request authority from the Department or the Legislature, or both, if necessary to obtain details of the item of revenue on page 29, Succession Duties, \$20,214,183.30."

HON. MR. CONANT: Mr. Chairman, as far as the Legislature is concerned,



is it not the procedure that my learned friend (Hon. Mr. Macaulay) if he wants to, should move in the Legislature?

HON. MR. MACAULAY: I want to know first whether this Committee is in favour of asking for it.

MR. ELLIOTT: In the face of that law, how can we?

THE CHAIRMAN: Is there any discussion on this motion, before I put it to the Committee?

HON. MR. MACAULAY: I would put an alternative proposition—

THE CHAIRMAN: Just a minute. We will dispose of this, before you put another one.

HON. MR. MACAULAY: I am not putting it in. I am suggesting this to the Attorney-General (Hon. Mr. Conant), who is the chief law officer of the Province, and if he feels that step is not warranted, I will make this proposition to him, that the Chairman of this Committee, and myself and himself examine—be allowed access to that record, and then we can, if we feel we still need further particulars brought before this Committee, we could move to take action on Monday.

If he is willing, we could have access into these figures in the meantime, privately, and we could perhaps obviate the necessity of bringing it before the Committee.

MR. BAKER: This Committee has no power under the law. This Committee has no power to give information—

MR. FROST: We are asking the Legislature to do it.

MR. ELLIOTT: You will have to bring an Act in; you will have to introduce a Bill.

HON. MR. MACAULAY: Do not make more work for the lawyers. We are trying to shorten this up.

MR. DREW: Let me make it clear as to what the purpose of this is. There is no use getting unduly heated about it.

Rightly or wrongly, the Provincial Treasurer of this Province has been making statements with regard to administrators generally—not with regard to administrators and trustees as individuals, but leaving the impression that generally throughout the Province it has been necessary to take punitive measures, and that there has been an attempt to defraud the Province.

In many cases, the information given, without actually giving the names, is sufficient to leave the impression that certain estates were involved, and if such a situation as that does exist, then there should be much more publicity than there has been in the past. If the facts are not as stated, then those who

have the responsibility of administering estates should have the opportunity and the right to clear themselves.

I do not think, in the face of the way these attacks have been made and repeated, against a class of people generally, who are in positions of trust, that this Committee should be denied the right to determine what the actual facts are, with regard to the administration of estates in this Province.

HON. MR. CONANT: Colonel Drew, your argument is not sound, because it is based on the wrong premise, that because somebody in the past has said that this law was violated—

HON. MR. MACAULAY: It was the head of the Government.

HON. MR. CONANT: I do not care who it was,—not because he has violated the law—

MR. FROST: Are you prepared to tell the Prime Minister the next time he goes “off the deep end”—are you prepared to get up and tell him he is breaking the law?

HON. MR. NIXON: There is a provision in the Act by which a Commission can be appointed to investigate the whole thing. In that case, of course, it becomes then a matter of public knowledge. You are not “going off the deep end” when you discuss it. I think this would be absolutely contrary to the spirit and the letter of the law.

HON. MR. MACAULAY: Don't you think it should be changed?

HON. MR. NIXON: Why not move your amendment in the Legislature?

HON. MR. MACAULAY: I am taking the first step toward that end.

HON. MR. NIXON: I intend to vote against your resolution, I will tell you that.

HON. MR. MACAULAY: Then it will be defeated, probably.

HON. MR. NIXON: I have submitted resolutions to this Committee in former years, which have been defeated.

THE CHAIRMAN: We are not concerned whether somebody else in the past has made a mistake. It seems evident in this Committee we have no authority to investigate these items.

HON. MR. MACAULAY: How is the Public Accounts' Committee—we are charged with the obligation of scrutinizing the Public Accounts of this Province; how is this Committee going to know whether its receipts and disbursements are correct, if this information is denied to us?

THE CHAIRMAN: We are forbidden to do so by section 39 of the Act. How can we get around that?

HON. MR. MACAULAY: I do not think that touches this Committee at all.

THE CHAIRMAN: I am afraid it does.

HON. MR. MACAULAY: You mean you hope it does.

HON. MR. LEDUC: No, this is not the only matter of this kind. The Income Act has a similar provision.

MR. DREW: Let me read this section again. Section 39 says:

"All information and material furnished to or received by the Treasurer under the provisions of this Act shall be confidential, and no person shall communicate or allow to be communicated any such information to, or allow access to or inspection of any such material by any person other than the persons mentioned in subsection 1 of section 19, or the executor of the estate of a deceased person, or the duly authorized solicitor or agent of such person, or executor or any other person who may be entitled thereto, in the course of his duties when acting on behalf of the Treasurer."

THE CHAIRMAN: Who is mentioned in subsection 1 of section 19?

HON. MR. CONANT: That is the Donee.

HON. MR. NIXON: I do not think any of us are in that category.

MR. DREW: Not in this case, no. That is the beneficiary. But that, as I read it, is a very usual provision in regards to matters of this kind, and there are similar provisions in regards to confidential information, which is furnished to the Department or the Government, to prevent Civil Servants conveying that information to anybody else, but it does not seem to me that we would be voiding the whole purpose of the Public Accounts' Committee if we simply must accept without question a bald figure of \$20,000,000.

I am not questioning that that may be the total amount, but, after all, it seems to me the purpose of the Public Accounts' Committee is to determine what the component figures are, in any item before the Public Accounts' and it is not—

HON. MR. NIXON: Q. It is not a "bald statement of \$20,000,000.00"; it even itemizes it, why, from Carleton County alone, we got \$5,600,000.00.

HON. MR. MACAULAY: But we want to find out where it came from in Carleton County.

HON. MR. CONANT: Dealing with Colonel Drew's argument: The law may not be calculated to meet that situation. That is a matter of opinion. But on the law, as it stands to-day, the situation is this, that we cannot hear this matter consistently with the law—that is the practice elsewhere, both here and in other jurisdictions—we cannot discuss here the Smith estate or the Jones estate, or the Jackson estate, because the policy of the law is that these things are confidential in all jurisdictions. We have no jurisdiction.

It may be that the law is too rigorous, but if it is, this is not the place where it can be altered. We are bound by the law as it stands. But this is not the tribunal for altering the law. This is a tribunal for applying the law.

HON. MR. MACAULAY: Yes, but if, as my honourable friend (Hon. Mr. Conant) says that the law is as it is, I do not think it applies to a Committee of the House, as a constitutional matter.

But, assuming it does, the only place where we can show cause for changing it is in this Public Accounts' Committee, by showing the need for the change. If we are going to take any steps to have that law changed, then this is the only place where it can originate in the House, and I am taking the only place available, in this room, to do that.

MR. FROST: I think another important matter is this: the Prime Minister has stated publicly there were some \$70,000,000.00 owing to the Province in succession duties. If there is such a huge sum, then I think we should know some of the details of it, and what steps were taken to collect it. If that were done, it would not be necessary to raise the gasoline tax or other taxes in the Province.

HON. MR. CONANT: I might say, Mr. Chairman, under the law as it stands at the present time, we cannot do it. If the Legislature sees fit to amend the law, that is a different matter. We cannot do it as the law stands now.

HON. MR. MACAULAY: Assuming the Attorney-General's law to be sound—and it may be—but I think it is open to question—I say it affects the very rights or sovereign powers of this Committee, and I still say that the only feasible place in which we can ever change that law is being offered to you this morning, getting it away from the political atmosphere, and charges and counter-charges, but endeavouring to get the facts out before the Committee.

MR. BELANGER: The Legislature has a perfect right to limit the powers of this Committee, and as it has done here.

MR. FROST: We are only asking that the Legislature enlarge those powers.

MR. BELANGER: Why should we ask that? That should be moved in the House.

HON. MR. CONANT: That should be done in the House.

HON. MR. MACAULAY: We can do that, if we approve of this motion.

MR. BELANGER: Why should we do that? It should be done in the House.

HON. MR. MACAULAY: We want to get some missionary work done here, so you will know what it is all about.

HON. MR. LEDUC: There is nothing to prevent you from moving an amendment in the House.



HON. MR. MACAULAY: I am showing cause for wanting it changed in the House.

THE CHAIRMAN: Gentlemen, I have no desire to forbid any information we can get, but it seems to me we are forbidden by this section to enquire into this, and I do not know how I, by a ruling, can change the law here.

I will make the ruling that we cannot go into these accounts—

HON. MR. MACAULAY: You cannot make a ruling that way; I have a motion—

THE CHAIRMAN: I understood you withdrew it.

HON. MR. MACAULAY: I will say I did not. Where did you get that idea?

THE CHAIRMAN: Will the reporter read the motion again.

HON. MR. NIXON: Q. Do you say, Mr. Macaulay, a Chairman cannot rule a motion out of order?

HON. MR. MACAULAY: I say he cannot rule this one out of order.

HON. MR. NIXON: Just give him a chance. You could appeal to the Committee against the ruling.

HON. MR. MACAULAY: If you request it, he can rule it out of order.

THE CHAIRMAN: I will rule it out without any request.

HON. MR. MACAULAY: Yes, you got the signal. That is what we call a "tip-off."

MR. BELANGER: This motion is asking the Committee to ask the department for information which the department under the law is forbidden to give.

HON. MR. MACAULAY: But information which they have given to certain favoured persons.

MR. DREW: Before we get too much warmed up about this, which I think is purely a logical interpretation of the rights and duties of this Committee,—now, for the sake of argument, supposing, shall we say, that such a situation arose that three-quarters of the revenue of this Province came from Succession Duties; the purpose of the Public Accounts' Committee is to provide a logical and orderly means of enquiring into the figures of revenue given in the statements which are printed, and offered to the House—

HON. MR. MACAULAY: Oh, I see the boys are arriving now.

THE CHAIRMAN: Order, please.

MR. DREW: This is the place—the only place—where it is possible to obtain information as to what actually lies behind the figures.

Now, without in any way questioning the accuracy of the total figure in any case, the function of this Committee is to provide a means, which cannot be done in the whole House, of finding out what actually lies behind these figures.

I want to say this; supposing for the sake of argument, that there was a time when one would have to assume from some of the published statements that the revenue from the income tax was to be about three-quarters of the amount of our revenue; I suggest you would be simply absolutely stifling the function of this Committee and also denying the House any opportunity of securing accurate information, such a regulation as this precluded the possibility of going behind that statement. You would be confronted with a figure which would represent three-quarters of the revenue of the Province, and you would be told, "Gentlemen, the law is you cannot make any public enquiry." If that were the case, the Public Accounts' Committee might as well cease to exist. This item of Succession Duties, while not three-quarters of the income, it is a substantial part of it, considerably over one-fifth of the revenue of the Province.

I suggest that this Public Accounts' Committee, which is not appointed for this particular enquiry, but which is a continuing body, and if it feels that its powers are too limited for it to perform its services, it should so express itself to the House, and ask for the necessary authority from the Government, and then there would be a discussion in regard to this Committee which has the duty of dealing with the Public Accounts of this Province.

That was the purpose of the motion.

HON. MR. CONANT: As Colonel Drew says there is no cause for heat in this, because it is a very concrete situation. I concede a great deal of what Colonel Drew says. I also take this stand, that the Legislature cannot by resolution or by instructions to this Committee overcome the section as it stands now.

It may be that the section should be amended by a proviso to meet this situation. That is a matter of opinion.

But I also add this, that if an exception were made, the Legislature would have to go further and protect the information which would be disclosed under that proviso from publicity which would be spread all over the Province.

That is the next difficulty, of course, and I think it is inconceivable that this or any other tribunal could sit here and discuss the Smith estate, the Jones estate, or the Jackson estate, and not have the information spread all over the Province.

MR. ELLIOTT: There is nothing unusual about the situation here. You are simply following a practice of long establishment in all Legislatures.

MR. DREW: I know of no case —no other case—where the Finance Minister of any Party has gone out on the hustings and attacked people on basis of the confidential information, and then has denied the right to find out whether his statements are right or not.

HON. MR. CAMPBELL: There were several cases in which he used the figures. There have been public enquiries heard on them.

HON. MR. CONANT: Where are we now?

SEVERAL HON. MEMBERS: Question.

THE CHAIRMAN: I will ask the reporter to now read the motion.

Whereupon the following motion was read by the reporter:

"HON. MR. MACAULAY: I move, seconded by Mr. Drew, that this Committee request authority from the Department or the Legislature, or both, if necessary, to obtain details of the item of revenue on page 29, Succession Duties, \$20,214,183.30."

THE CHAIRMAN: To show you my broad-mindedness, I will not rule the motion out; I will put it to the Committee.

SEVERAL HON. MEMBERS: Hear, hear.

HON. MR. MACAULAY: Now, that the reinforcements, have arrived, it is O.K.

THE CHAIRMAN: Do you want a recorded vote?

HON. MR. MACAULAY: Yes, certainly.

THE CHAIRMAN: Then all in favour will answer "Yes"; those opposed will answer "No." I will ask the Secretary to record the vote.

Whereupon the vote was recorded down to the calling of the names "Mr. MacKay,"—

HON. MR. MACAULAY: I appeal to the Chair. You cannot change your vote. That is the rule.

MR. MACKAY: I was repeating to myself many and many a time, "No, no, no," and then this gentleman (indicating Clerk of Committee) asked for the vote, and I said—

HON. MR. MACAULAY: I appeal to the Chair, you cannot change your vote.

MR. BAKER: The first word was "No."

HON. MR. MACAULAY: I am asking the Chairman that he hold that you have voted.

MR. BELANGER: A man has a right to change his vote, as long as it is not polled. That is the law.

HON. MR. MACAULAY: This newly created lawyer is telling us the law.

MR. BELANGER: That is why you have to create them.

HON. MR. MACAULAY: If your hearing was as good as your law, you would be all right.

HON. MR. LEDUC: Might I suggest this, that the proper time to challenge that vote is when the vote is announced.

HON. MR. MACAULAY: Oh no. I am asking the Chairman and he is thinking it over.

MR. BETHUNE: I asked him, and he said, "Yes" to me.

MR. MACKAY: If the Chair rules I said "Yes," it is ruling against my convictions, and the way I wanted to vote. I wanted to vote "No."

THE CHAIRMAN: What did the Honourable member of the Committee say first?

MR. BAKER: He said "No, yes, no." I was sitting here beside him.

THE CHAIRMAN: Order.

MR. NEWLANDS: I suggest I have been on this Committee since I came into the House, and just to show the Toronto members how we Hamilton members stick together Mr. MacKay said "No, yes, no."

THE CHAIRMAN: Order, please.

HON. MR. NIXON: Is that the way Hamilton votes?

THE CHAIRMAN: I will take the honourable member's word for it when he said he first said, "No," and I will allow the vote to be recorded as "No."

HON. MR. CONANT: Carried.

HON. MR. MACAULAY: Well, I might appeal, but I will not. I have a good notion to appeal from that, but we have not taken the vote yet. I will tell you what you did, Mr. MacKay, you put down one "No" and two "Yes's".

THE CHAIRMAN: The clerk will continue with the roll call.

Whereupon the polling of the Committee was continued by the clerk, commencing with the name "Mr. Mercer."

MR. LAMPORT: Mr. Chairman, will you call my name, please?

HON. MR. MACAULAY: You are too late.

THE CHAIRMAN: Did you come in after your name was called?

MR. LAMPORT: Yes.

THE CHAIRMAN: I am afraid I cannot be of any help to you. The vote is closed.



HON. MR. MACAULAY: It will be easier on your conscience, anyway.

MR. LAMPORT: It is not mine as much as it is yours.

HON. MR. MACAULAY: Yes, I see you have a worried look. It might be something else.

CLERK OF COMMITTEE: Mr. Chairman, the motion is lost, 22 to 8.

THE CHAIRMAN: I declare the motion lost.

HON. MR. MACAULAY: Now, we will take up from where we left off.

HON. MR. LEDUC: It is 12.30 Mr. Chairman.

THE WITNESS: Mr. Chairman, might I refer to a statement made by Hon. Mr. Macaulay. I know he did not mean me, but he said, "They had given it out," and he looked at me. I know, Mr. Macaulay, you did not mean me—

HON. MR. MACAULAY: I am often looking at you.

THE WITNESS: Because I can assure that never have I given information to any member or any Minister of the Crown.

THE CHAIRMAN: I do not think the Committee got that inference, Mr. Walters.

THE WITNESS: I have refused to give it to Ministers of the Crown.

HON. MR. MACAULAY: How did the information get out then?

THE WITNESS: What information?

HON. MR. MACAULAY: The information the Premier uses from time to time?

THE WITNESS: I am simply talking for myself. Never has this information been given out to any unauthorized person.

HON. MR. MACAULAY: Are the files of your department, relating to Succession Duties, open to Mr. Hepburn?

THE WITNESS: He is the Treasurer; certainly they are open to him.

HON. MR. MACAULAY: I ask then that this Committee have the same right; that is all.

THE CHAIRMAN: It is now half past twelve, gentlemen, or within a minute of it.

HON. MR. CONANT: I move we adjourn.

HON. MR. MACAULAY: When will we sit again? We want to end the session next week. Can we go on, on Monday morning?

THE CHAIRMAN: Is it the wish of the members we convene on Monday morning?

SEVERAL HON. MEMBERS: No.

SEVERAL HON. MEMBERS: Yes.

MR. ELLIOTT: Colonel Drew can tell us how much longer he contemplates this Committee will be sitting?

HON. MR. MACAULAY: I would say this, that if you follow the suggestion on the other matters, which I made with respect to Succession Duties—if the Chairman will appoint somebody with myself to go into the things I have in view over the week-end, and that person and myself and Mr. Walters can sit down in an office, together, obviously a lot of time will be saved in getting to the bottom of these things quickly.

THE CHAIRMAN: I think that is quite proper. We will be glad to do that. Would you figure the Committee would be cleaned up in two Sittings?

HON. MR. MACAULAY: Monday and Tuesday.

THE CHAIRMAN: No, Tuesday and Wednesday.

HON. MR. NIXON: I think we should sit on Monday. It is the usual thing if necessary for the Committee to get permission to sit during the sittings of the House.

However, we will adjourn until 10.00 o'clock Monday morning.

Whereupon at 12.35 p.m. the further proceedings of this Committee adjourned until Monday, April 24th, 1939, at 10.00 o'clock in the forenoon.

## SIXTH SITTING

Parliament Buildings, Toronto,  
Monday, April 24th, 1939, 10.15 a.m.

The further proceedings of this Committee reconvened pursuant to adjournment.

MR. J. M. COOPER, M.L.A., Chairman, presiding.

THE CHAIRMAN: Order, please. The Secretary will please call the roll.

Roll call by the Secretary of the Committee.

THE CHAIRMAN: Just before we start this morning, gentlemen, I was reading over the evidence of the third day's proceedings, that is, Wednesday, April 19th, and I noticed that at page 166 there is an error—or rather it is an omission in the evidence. At line 28, page 166, the Chairman says:

“Here is the amendment. I will read the amendment, and I am going to put the amendment first.”

And through some inadvertence the amendment was omitted. I think it should be included in the evidence, for some future reference. It is right at the bottom of 166.

The amendment was read, and was handed to the clerk and I think it should be incorporated in the evidence, after line 28.

HON. MR. MACAULAY: Have you a copy of the amendment so we will know what is going into the record?

THE CHAIRMAN: The amendment was filed, Mr. Macaulay.

HON. MR. MACAULAY: Let me see it.

THE CHAIRMAN: On page 160, the amendment was moved by Mr. Nixon, at line 3, where it says:

“HON. MR. NIXON: I move an amendment, that it be limited to the date of March 31st, 1938. The only things that this Committee can inquire into, are the Public Accounts read in the paper here (indicating).

That was the amendment that was put. It was exactly the same as Mr. Macaulay's motion, except the year 1939 was stricken out.

HON. MR. MACAULAY: That is in connection with the resolution about Mr. Walters?

THE CHAIRMAN: Yes, exactly.

HON. MR. MACAULAY: I do not remember that going in but if you are going to put it in the evidence we should see what it is, before it goes in.

MR. ELLIOTT: There was nothing written.

THE CLERK OF COMMITTEE: There was nothing in writing Mr. Chairman.

HON. MR. MACAULAY: Why is the record not complete, then?

MR. ELLIOTT: From the former evidence it is in there, but in reading the motions so that the members will know the introduction in regard to Mr. Walters' evidence, it should be in.

THE CHAIRMAN: It is not complete, Mr. Macaulay, because the amendment that was voted on is not incorporated in the evidence, and I read the amendment

HON. MR. MACAULAY: I did not read the record. Does it say the amendment was then put?

THE CHAIRMAN: Yes. Here is what it says:

"THE CHAIRMAN: Here is the amendment. I will read the amendment, and I am going to put the amendment first."

MR. DREW: I call for a recorded vote.

THE CHAIRMAN: Colonel Drew calls for a recorded vote.

All in favour of the amendment, so signify. But there is no amendment in the record.

HON. MR. MACAULAY: I think it says that you read the amendment?

THE CHAIRMAN: Yes.

HON. MR. MACAULAY: You can prepare an amendment, and we can approve of it.

THE CHAIRMAN: I can dictate the amendment right now to the reporter.

HON. MR. MACAULAY: Yes, all right.

THE CHAIRMAN: The amendment reads as follows:

2. "That Chester S. Walters, Comptroller of the Revenue of the Province, be summoned at the next session thereof to give evidence with regard to the Statement of Gross Ordinary Revenue, Gross Ordinary Expenditures, Gross Capital Receipts, and Gross Capital Payments for the fiscal year ending March 31st, 1938, and to produce before the Committee all documents, books, and memoranda, relating thereto."

That is the amendment that was voted on.

HON. MR. MACAULAY: Shall we proceed now?

THE CHAIRMAN: Yes.

MR. BELANGER: Before proceeding with the business of the Committee, Mr. Chairman, I would recall a part of the proceedings held last week.

One of the honourable members of this Committee stated he had unfortunately made a mistake in casting his vote, and I said at that time in the discussion that that was the law—that prior to the division being announced, and the vote recorded that a member had the right to change or correct a mistake in his vote, or change his vote.

Now, that statement of mine was answered with irony, and sarcasm, which the honourable member who made it is rather an adept at—a past master of it.



Here is what May says in his Parliamentary Practice, and I think in justice to myself and my statement, and in order to guide future occasions in this Committee—

HON. MR. MACAULAY: Mr. Chairman, I submit the member is out of order.

THE CHAIRMAN: I think so, Mr. Belanger. As a matter of fact, the matter was decided, if I remember correctly, on the ground that the member had actually voted "No" at first, and so said, and we took his word for it. Therefore—

MR. ELLIOTT: I think we should hear Mr. Bélanger.

MR. BELANGER: As a matter of personal privilege, I have a right to justify my statement as to what the law is, and which was necessary at that time, because I claim a member has a perfect right to change his vote before the division is announced, and I wish to refer the Committee to May's Parliamentary Practice, 13th edition, 1934, at page 479, under the head of "Proceedings of Select Committees," where it says,

"A member, having voted, by mistake, has been allowed to correct his error."

After division, of course, the member cannot do that. You will find in Bourrinot, at page 382, under the heading "After Division," it says this:

"If a member who had heard the question put in the Commons should vote inadvertently, contrary to his contentions, he cannot be allowed to correct the mistake, but his vote must remain as first recorded."

Those two statements justify fully both the statement of mine in what I said, that as long as the vote is not recorded, and the division is not reported, a member has the right to correct an error which has been made inadvertently in the casting of his vote.

THE CHAIRMAN: Very well. It may be of some academic interest later on.

We will proceed now, Mr. Macaulay.

CHESTER A. WALTERS, recalled.

HON. MR. MACAULAY: On Friday, Mr. Walters, Mr. Elliott and I discussed with you some statements you might prepare to shorten our discussion on the finances of the Province, and I want to turn now to the assets and liabilities of the Province, amongst the assets and liabilities I find, "Agricultural Development Finance Act—Investments"?

A. These are set out on page 53 under Public Accounts.

Q. What was the total deposits in the Provincial Bank at the end of that year—what you call a "Savings balance"?

A. \$40,000,000.00.

Q. \$40,000,000.00?

A. Yes.

Q. And do you keep a cash reserve in that amount?

A. No, sir. The reserve is set up as a book reserve. There is no real cash reserve.

Q. Do you think, for banking practice, you should not have a substantial cash reserve at all times?

A. That has been under consideration, to create a reserve by taking certain portion of the receipts and purchase bonds, but overdraft privilege was arranged with the chartered banks which is, I think, as good a reserve, so that in the event of a sudden call for funds we will have a stand-by overdraft privilege with the chartered banks.

Q. What is that privilege?

A. I think it is about \$8,000,000.00

Q. You could get as a special hurried overdraft from them by previous arrangement, \$8,000,000.00?

A. Yes, that is one of the reasons, sir,—you will notice in the borrowing power each year we ask for \$30,000,000.00 or \$40,000,000.00.

Q. Yes.

A. That is one of the things which enters into it. For instance, we might be thrown into a war, and have a sudden demand for money, and unless the Province had sudden borrowing powers, it could not satisfy the demand.

I may say, in connection with these large deposits, when we took the large deposits, we stipulated some 30 to 60 days' notice. There are certain conditions attached, and we endeavoured to cover ourselves in that way.

Q. You could keep a substantial amount of cash on hand in your bank?

A. Yes, we do. We carry a large bank deposit.

Q. What is the average?

A. We have at the present time, I think, about \$6,000,000.00 on deposit.

Q. At the end of your fiscal year, you had cash on hand and in bank, \$1,000,000.00 odd?

A. Yes, because at that particular time all the funds were used for the purpose of liquidating all outstanding accounts.

Q. Yes; what repayment of principal have been made to the end of that fiscal year, in your agricultural loans? Is that the figure there (indicating)? \$17,000,000.00 odd?

A. Yes, sir.

Q. \$17,000,000.00?

A. Yes, sir.

Q. So that means that of your loans originally made, \$17,000,000.00 has been paid off, either by instalments, or otherwise?

A. Correct.

Q. And, according to your books then, the balance of principal is \$44,900,000.00?

A. Yes, sir.

Q. Is that the amount of capital out-standing for these loans, as of that date?

A. That is the amount of capital, yes.

Q. Now, the next item is "Accrued interest outstanding on debentures, \$5,950,000.00;" you mean the interest due on the mortgages or the interest due by the Board to the Province for debentures.

A. That is interest due on debentures, but they are about the same.

HON. MR. NIXON: Q. The mortgages never reached that amount of the debentures—that \$62,000,000.00, did they?

A. No sir, but that was the issue from time to time, and the total payments. The interest on the debentures and the interest on the treasury bills would be about the same, except for the amount the Board itself expended in carrying on its operations, because the money which comes in by way of interest is first used to carry on the operations of the Board.

Mr. Brown is getting a statement for me to follow. He will get me the exact amount that is outstanding in interest. I will bring the balance sheet.

MR. ELLIOTT: For what period?

A. For the year we are discussing.

HON. MR. MACAULAY: In the meantime, have you the information to show the overdue interest?

A. Yes, I will produce that.

Q. We will let that stand until he brings that down?

A. All right.

Q. Then what is there to show, Mr. Walters, in your Public Accounts for this year, the outstanding accounts payable, at the end of the fiscal year?

HON. MR. LEDUC: You mean this year or last year?

HON. MR. MACAULAY: This fiscal year we are talking about.

THE WITNESS: There is the sheet here (indicating).

HON. MR. MACAULAY: What page?

A. Wait until I look at pages 6 and 7 first.

Q. That is "Contingent Liabilities"; I will come to them later on.

A. I did not see a separate exhibit of accounts payable.

Q. The only reference I see to it is on page 7?

A. Yes, there is no break down of that.

Q. There is accounts payable there \$1,097,575.41; have you a break down of that?

A. Not in the Public Accounts, but I will get it for you, if you like.

Q. What type of accounts would they be?

A. They would be various. For example, there might be some relief accounts which did not come in from the municipalities until after the statutory time for closing the books. We pay all interest on the outstanding closing debts, and all accrued interest on the funded debts.

Q. That is only for a pro forma balance sheet?

A. Yes.

Q. It does not enter into your budget figures?

A. No.

Q. And these accounts payable do not enter into your budget figures?

A. Yes, I think they do.

Q. They are not a charge against revenue for that year?

A. I think they are.



Q. Will you show how it is entered into the financial statement?

A. It would not show; it would be all included in the expenditures.

Q. The accounts payable?

A. Yes; that takes in the accounts payable. We take the accounts payable in, and charge them into expenses.

Q. Into the various departments?

A. Yes, sir.

Q. Then why do you close the account at a certain date, if you can always take in the accounts payable, and charge them—

A. Because The Audit Act provides the books can only be kept open for one month. Furthermore, The Audit Act provides that to keep the Government books open, an order-in-council must be passed before the end of the fiscal year.

Q. What did you do in this fiscal year, in reference to that matter?

A. The same as last.

Q. What was that?

A. An order-in-council was passed, providing that all accounts properly applicable to the fiscal year ended the 31st of March, 1939, must be in, and paid before the 20th of the month.

Q. The 20th of April?

A. Yes, sir.

Q. And any that you received after the 20th of April, were actually paid, were they?

A. Actually paid? Pardon me, no. Then the order further provides inasmuch as the Audit Department, and the Treasury Department cannot physically issue the cheques to the last minute, that they have another ten days for issuing the cheques.

Q. So they have until the end of April—

A. All the accounts are in that are physically possible, and they are working overtime to issue the cheques.

Q. And all these accounts which are paid up to the end of April, are included in the disbursements for the fiscal year ended the 31st of March?

A. (No audible answer.)

Q. Then, what I want to get from you is, what further accounts payable are there than you have in the Public Accounts at page 7, this \$1,000,000.00 odd?

A. If you do not mind, I will ask Mr. Brown about that.

Q. Yes.

A. That is just a book entry; they are not included.

Q. What are they?

A. They will not be included in the expenditures, if there are not any.

Q. That is what I thought; they cannot be included, and it was just for the purpose of showing the balance sheet of the Province?

A. There will be some accounts which will come in from some municipalities for six weeks from the end of March. I do not know why they hold them off. They are generally large ones.

Q. But anything you had up to and including the 20th of April would be included and paid, and not included in the accounts payable.

A. In fact, in some cases where we know the amount, but do not have the account actually rendered, we set up the amount, and make the vouchers ourselves, in the expectation of the receipt of the account.

Q. And they would be charged to expenditures for that year?

A. Yes.

Q. Then you will get a break down of these accounts payable, \$1,000,000.00 odd?

A. Yes.

Q. Then, have you any means of knowing what outstanding accounts there are, for example, in the Department of Highways, for contracts?

A. Yes, I think so.

Q. Progress certificates, and so on?

A. Yes. There is always a hold back, as you will recall, and they are generally pretty keen to get in and get their money—the contractors are.

Q. I recollect a question on the order paper last Session in which was asked—"What is the balance on contracts started: balances for amounts to be paid," and the answer was \$14,000,000.00 odd."

A. Yes.

Q. Have you any explanation for that item?

A. Yes. I think that was an amount—that might consist of two things; one, work partly completed, but which had not been measured up, and, secondly, contracts which had been let, and commitments made, but the work not completed.

Q. Why not include the third category, of "contracts let," "work completed," and "estimates completed," and also another, "accounts just riding there—overdue"?

A. It might include it, if it was not in, but not if it was there, because every effort is made to clean them up.

Q. Were not a number of these contractors permitted to work during the winter, providing they did not render their bills until after the end of the fiscal year?

A. I cannot say about that. You would have to get that from the Department of Highways.

Q. You have no knowledge of that?

A. I have knowledge of one where I think the contractor up north—I am speaking from memory, and subject to correction—I think the L. D. Martin Construction Company did that. That was the only one I know of.

Q. Was that an understood practice between your department and the Department of Highways, that during this winter, we are talking about, 1937, and 1938, that the contractors could proceed with a large amount of work, providing they financed it themselves, until the end of the fiscal year?

A. No, it was not, not to my knowledge.

Q. And if anybody did it—you only know of one?

A. I only know of one, yes.

Q. Would you be surprised if a half a dozen did that, and had substantial sums outstanding at the end of the fiscal year?

A. I would say if they did it, I am not aware of it.

Q. And you were not aware of it, and are not aware of it now?

A. I am not aware of it, no.

Q. How about the accounts at the end of this year; is the same thing true of that?

HON. MR. LEDUC: Oh, tut, tut. You are not investigating this year.

HON. MR. MACAULAY: I was talking about last year, and I am asking him about the procedure.

THE WITNESS: I do not believe there is such a case. There is no highway work going on at the present time. I am satisfied there is not one.

HON. MR. MACAULAY: Q. At any rate, at the end of the fiscal year, you did not ask the Department of Highways as to what there was outstanding for work due?

A. The Provincial Auditor would do that.

Q. Why would you not do it? You are the Deputy Treasurer, paying the accounts, and would want to know what the liabilities are?

A. Yes, I would, but that is his function; it is his responsibility, because he certifies the accounts.

Q. You are employed, as Comptroller of Revenue, and the chief disbursing officer; you are in general touch with the Department of Highways as to the liabilities which are accruing, are you not?

A. I am, but I would say that the Provincial officer whose duty it really is to do that is the Provincial Auditor. He is bound to do that, or he cannot certify his statements.

Q. They do not show in this statement?

A. We will see that when we get this break down.

Q. I am informed that there was \$7,000,000.00 or \$8,000,000.00 of these accounts outstanding at that time?

A. I am not aware of that, but I am positive that is not the case now.

Q. You are getting caught up gradually, I think?

A. I hope so.

Q. Now, I want to go into the indirect liabilities of the Province, Mr. Walters?

A. Page 65, eh?

Q. Take the Temiskaming & Northern Ontario first of all; what new liabilities under this heading are there for the Temiskaming & Northern Ontario Railway?

A. For the fiscal year ended the 31st of March, 1938, there are no new ones.

Q. And what is there for any fiscal year since 1934?



MR. ELLIOTT: That is beyond the scope of the resolution.

HON. MR. MACAULAY: Oh no, it is not. This is "indirect liabilities"; we are entitled to a summary of the amounts.

HON. MR. NIXON: What was the question?

HON. MR. CONANT: Q. What indirect liabilities there were since 1934?

HON. MR. MACAULAY: They are shown on page 37.

THE WITNESS: Not for this fiscal year.

HON. MR. MACAULAY: I am talking about since 1934.

A. I would have to go through the Public Accounts since 1934, to get that.

Q. No, I suggest if you look at page 67, you will get it. They are all summarized there. There is one, November 27th, 1936, for \$5,600,000.00?

A. Yes.

Q. And what did that represent?

A. The Temiskaming & Northern Ontario owed the Bank of Nova Scotia the sum, I think, of \$6,000,000.00—\$5,000,000.00—\$5,600,000.00, and I think they were paying  $4\frac{1}{4}\%$ .

HON. MR. CONANT: Q. That was just a current loan?

A. No, they owed this Government, and we charged them the effective rate of interest.

MR. ELLIOTT: Q. That was?

A. Which was, I think, 501.64, something like that, and Colonel Lang, asked that there be a rearrangement, and he went to the bank, and the bank agreed to loan the money, on our guarantee, and a rate of interest which practically cut his bill in two.

Q. That was how much? What rate?

A. The rate shown here.

Q. I know, but I want it on the record.

A.  $2\frac{1}{2}\%$ , and the Government agreed, in order to help the Temiskaming & Northern Ontario Railway, although it meant a loss in interest to the Government of something like \$150,000.00 or \$200,000.00 a year,—

HON. MR. MACAULAY: Q. Then you took that liability off the direct liability of the Province, and put it in the indirect liability?

A. Right.

Q. So when you are discussing the debt of the Province in your figures that \$5,600,000.00 would not be included in the debt of the Province.

A. That is right.

Q. Although it was a liability of the Temiskaming & Northern Ontario Railway, for which the Province was liable?

A. Yes, but it is a different kind of liability. They have been reducing that liability at the rate of almost \$100,000.00 a month, I think.

Q. And when you are seeking to borrow the money, you have to disclose to those from whom you wish to borrow, the contingent liabilities, as well as the direct liabilities?

A. Yes, we do.

Q. They are a pertinent factor in considering the financial position of the Province?

A. That is the way it was changed, and this change and other changes have helped the credit of the Province.

Q. They have not changed the liabilities of the Province, any?

A. I think we have, in this respect—

Q. How?

A. If I owe money directly, I have to report the sum total of my liabilities, whereas if I owe money indirectly, and I have guaranteed the loan of a public authority which is well managed, and is providing a sinking fund for those very things, the people who loan money prefer that that liability of the other authority be shown as their liability.

Q. It is a clear statement of a business transaction, but it does not change the financial solvency of the financial worth of the Province in any way.

A. It militated for years against the borrowing power of this Province, to have such a large gross debt, because people in foreign countries, when they looked at our gross debt, and we told them we had a large investment in the Hydro-Electric, then it was just like an office; it was all they knew about it.

Q. You could reduce the gross debt position of the Province, as you have done, without going—without going into the Hydro for the moment—except for impressing the people interested in the figures, it would not mean any difference in the financial liability of the Province at all.

A. Oh yes, it does. I think so. Because on the day the debentures are due against the gross debt, this Government would have to make provision,

either by putting up the money, or borrowing on treasury bills, or an overdraft, or a new debenture issue to meet this, whereas the whole financing of the Hydro is now done by the Hydro. We can go on, knowing they will build up the sinking fund, and knowing they will have funds to meet this, it is of less concern to us than it was.

Q. But they are not building up the sinking fund or preparing to meet their debt any differently than they were doing before?

A. No—.

Q. They are not charging the Province with any greater revenues sums per annum than they were?

A. No.

Q. So there is no great provision for you to meet this liability than ever, except you have put it up in another column, is that not all?

A. There is a great difference.

Q. To an accountant, yes, there is a difference, but to a bank or a bond dealer, that is loaning us money there is no difference in the financial position of the Province.

A. I think there is, and I will explain it. You will recall two years ago Mr. Ellis asked me why it was that our 3's of '51 were selling at nearly 1 point lower than the 3's of '51 of the Province of Quebec.

Q. Yes?

A. To-day the situation is reversed, and there are from three to four points in our favour, and one of the factors has been the fact that our gross debt is lower, notwithstanding that the banks and financial institutions were aware of the fact that we still guaranteed the obligations of the Hydro-Electric Power Commission. I think that is practical proof of the claim that it is.

Q. I will come to a detailed analysis of the Hydro in a minute. Then you would not be in favour of building up a sinking fund to meet the gross debts of the Province?

A. Of this Province?

Q. Because it would show to the uninitiated a high gross debt which would have to be correlated to the assets in the sinking fund?

A. No, I do not think that would follow.

Q. That was what was true with the Hydro in the Province?

A. Yes.

Q. The Province had a large gross debt for its commitments, and the Hydro was providing a sinking fund and other contingencies to meet them at maturity?

A. I will say that the American investors, such as the Equitable Life of New York, and the Metropolitan Life, and British investors have seen so many schemes which have grown to be failures, they do not realize how soundly operated your Hydro-Electric Power Commission is. To them, it is just a name.

Q. How does it improve their regard for the financial position of this Province, to take it out of the direct liabilities, and have the Hydro issue the bonds, and the Province guarantee them? How does that make the Equitable Life regard our financial position any better?

A. Because they see our gross debt is lower, and they look at the gross debt.

Q. If you go to borrow money from the bank, the first thing they ask is not only what liabilities you have on your own account, but if there are any others which you have guaranteed?

A. Yes, but it depends on the Province, and whose obligations you have guaranteed. If I guaranteed Sir Herbert Holt, it would not have very much effect—

HON. MR. CONANT: That would be a marvel.

HON. MR. MACAULAY: Why do you mention Holt instead of the Hydro?

A. I, being so small in the financial world, there is no doubt he could pay his before I could pay mine. There is no doubt that the Hydro credit is as good as that of any public authority on the American continent.

Q. The Hydro credit was always as good intrinsically as that of the Province of Ontario, was it not?

A. Not always, no.

Q. Since the Hydro has become established as a going concern, with substantial contracts for the last 15 or 20 years, would you not say that the credit of the Hydro as a going concern has been as good as that of the Province of Ontario?

A. Yes, within a certain circumscribed area, but not in international finance.

HON. MR. CONANT: How many mortgages?

A. When we put an issue out, that issue is all in Ontario, but 25% of that issue might find itself in New York or London in two years. It is not the same with the Hydro.

Q. How much of the gross debt of the Province of Ontario has been taken



off since you have assumed office to the end of this fiscal year, if you want to confine it to 1938, by reason of the Hydro retirments of that time?

A. Speaking from memory, I think it is \$33,000,000—there is a decrease in the gross debt of \$33,000,000. I am speaking from memory now, but I can find that out.

HON. MR. MACAULAY: Q. I think on page 46 there is a statement; is that the statement you have in mind?

A. Yes, there was a repayment of \$33,598,107.71.

Q. In those three years?

A. Yes.

Q. Why have you slowed down and stopped any repayments from the Hydro since 1937?

A. That repayment was planned long before this Government ever came in. Those moneys were borrowed years ago, when the Hydro was expanding very rapidly, and the money was borrowed in sums which were partly for the Province, and partly for the Hydro, but there was a distinction—it was clearly defined—as to what portion of the debt could be allocated to the Hydro, and what portion to the Province, and it was the understanding at the time that the obligations were entered into, that the Hydro would meet at maturity its share of the maturing obligations.

Q. They did not meet its share—

A. Oh, they did, when they matured. That was planned 20 years before.

Q. They were paid out of the proceeds of what?

A. The Hydro borrowed their own money on our guarantee to replace these loans.

Q. So the reduction in the gross debt there did not mean a reduction in the grand total of liabilities of the Province.

A. Of the direct liabilities, yes.

Q. Direct and indirect?

Q. Direct and indirect?

A. Not in the indirect, no.

Q. There was no change there?

A. No.

Q. Was any money paid during this time in addition by the Hydro out of its reserves?

A. Not out of its reserves, no, sir. The reserves were for this specific purpose.

Q. Well?

A. The same thing will happen again in some years to come. They will be maturing obligations. For instance, 1944, I believe, is the first one, the four  $\frac{1}{2}$ 's; I think the Hydro have \$8,000,000 to pay in that year.

Q. I was wondering if you would prepare for us and file as part of your evidence a statement of the obligations over the next ten years, or carried right down to the end, if you prefer.

A. Yes, I will do that.

HON. MR. CONANT: You mean maturing obligations?

HON. MR. MACAULAY: Yes.

THE WITNESS: I think we have it broken down.

HON. MR. MACAULAY: Q. That would be all maturing obligations coming due which were advanced for Hydro purposes, and which the Hydro will pay off?

A. We have that.

Q. Will you send for it?

A. Yes, I will, certainly.

Q. So that ultimately the purpose will be to have all the Hydro debts represented by Hydro bonds guaranteed by the Province?

A. No, it would be better than that. Ultimately the object is—it is believed that ultimately not only will the Hydro have repaid to this Province its debt, but that the Hydro will be doing its own financing, without the guarantee of this Province.

Q. That is two or three steps ahead. The next step you have in mind is to show no direct debts of the Province of Ontario in connection with the Hydro enterprises?

A. That is right.

Q. That, of course, will be long before the Hydro has paid off all its obligations?

A. Well, of course, the Hydro may be able to be so successful it may not have to reborrow, because it is building up a big sinking fund.

Q. But it has to-day reborrowed for future maturity.

A. That will be the process. The process will be, as these obligations mature, then the Hydro will be responsible for providing the money; they will either provide it out of accumulated reserves which they may do in whole or in part, and to the extent they are unable to pay it, then they will themselves go into the market, or borrow on treasury bills or notes, on the guarantee of this Province.

HON. MR. CONANT: Q. Just one question. Up to a certain time, Mr. Walters, the Hydro was financed by direct advances from the Province?

A. Entirely so.

Q. That is to say, the Province borrowed generally and supplied the Hydro with whatever was needed?

A. Yes.

Q. Then, after a certain period, was that altered, so that the borrowings were on an issue made by Hydro, and guaranteed by the Province?

A. When the Hydro needed the money.

Q. And that entirely segregated the financing of the Province and the Hydro, did it?

A. Yes.

Q. When did that change take place?

A. I think in the latter part of the year 1934.

Q. In 1934?

A. Or early in 1935.

Q. It was the present Government which changed it over?

A. Yes.

HON. MR. NIXON: Q. Do you know when the legislation was passed, that authorized that?

A. I think it would be in the spring of 1935.

Q. My recollection is that Mr. Ferguson brought in a Bill which made that provision.

HON. MR. CONANT: Do you remember that?

HON. MR. MACAULAY: I do not remember that, Mr. Nixon.

HON. MR. CONANT: Perhaps we can clear it up for my purpose, even if nobody else is interested; it seems to me if the present system is so preferable I was wondering why it was not done in the beginning.

A. When the Hydro was started, the financial position was different, but as time went on, the outlooks were changed, and the necessities were changed.

HON. MR. MACAULAY: Q. Is it not a fact that financial men, if they knew that, would not loan the Hydro, back in the days of Sir Adam Beck?

A. The Hydro had lots of money.

Q. As you say in the United States and abroad there was a hostility against public ownership which made it difficult to get money for it, but you say you could get it at a lower rate at the inception by the Province borrowing, than the Hydro borrowing it.

A. I would say that is true, because the Hydro was not a proven project then. It was partly in the experimental stage.

Q. Even to-day, would you say the Hydro could issue its own series of bonds for new commitments unguaranteed by the Province at the same rate of interest at which the Province of Ontario could borrow it?

A. No.

HON. MR. CONANT: I thought Mr. Lyon advanced the theory that they could?

HON. MR. MACAULAY: Yes.

THE CHAIRMAN: As a matter of fact, they said they could do it for less.

THE WITNESS: He meant with a hindrance, a ball and chain. I am afraid his opinion is not shared by very many.

HON. MR. CONANT: Q. If they reach that point, the Province will be very glad to refrain from making that guarantee?

A. I think the day will come when that condition will obtain.

HON. MR. MACAULAY: Q. To bring about a greater gross debt reduction, you could now have the Hydro issue of bonds represent the still outstanding advances of the Province, and retire the Provincial debt, could you not?

A. Yes, we could take in all the three-way bonds; we could make a big change now, but there never has been a change made deliberately.

Q. You could now pay off another \$140,000,000.00 gross debt of the Province?

A. You could not just now, because of the conditions which obtain; you could not get anything.



Q. When the international situation stabilizes, you could?

A. Yes, if, as and when it stabilizes itself.

Q. That would be an impressive change in the figures, for an accountant?

A. It would be a good thing, but I do not think it is a good thing to do deliberately.

Q. Why not?

A. Well, having done the thing not designedly, but as a matter of course, some people criticized the Government for doing that, and how much more would they criticize them if you were doing four times as much.

Q. The main criticism was that it was not coupled with the real explanation of it; it was represented as a payment of the debt with a corresponding improvement in the asset position of the Province.

A. It is a great advantage to the Government to do that. Our tremendous gross debt there has for years been quite a serious obstacle.

Q. But the average elector when he sees a gross debt reduction of \$35,000,000.00 think the financial position of the Province has been improved by \$35,000,000.00, and you have \$140,000,000.00 and they think you should begin to look into that?

A. Yes.

Q. They would think you had \$140,000,000.00 lying around loose; is that not the real reason you have not gone after this, and knocked off another \$140,000,000.00?

A. No, I do not believe people pay as much attention to the gross debt as they should. I think you lower two or three taxes, and build some roads—

Q. And take \$5.00 off the motor license?

A. Yes, they forget all about the other. I am not in politics, so I can only guess.

Q. Yes, we all realize you are completely out of politics.

THE CHAIRMAN: I think your psychology is sound, though.

HON. MR. MACAULAY: Q. I take it when there are no further reductions possible in motor license fees, or other things, you will be at the gross debt position again, for a reduction?

A. Well, that is Government policy. I cannot answer that.

HON. MR. CONANT: Do I understand, Mr. Chairman, that of the Provin-

cial debt, about \$140,000,000.00 is represented by money borrowed by the Province, and advanced to the Hydro?

A. Yes, we have a break down of that.

Q. And, of course, at the present time that is shown as a direct debt of the Province, is it not?

A. Right.

Q. And if it was financially possible—I mean to say, financially from the standpoint of the money guaranteed, to convert that debt, the position of the Province would be altered to that extent, and that \$140,000,000.00 would become indirect?

A. Yes. Of course, we know of lots of things to be done there, but I think these things should be taken as they come.

HON. MR. NIXON: You must keep a few tricks up your sleeve.

HON. MR. MACAULAY: Q. Then, in order to forewarn the public you take \$33,000,000.00 off the gross debt in your bookkeeping methods, and it was still possible in any year to take another \$140,000,000.00 off, in one year. Is that not true, Mr. Walters?

A. No, that is not practical.

Q. It can be done theoretically, if the financial markets of the world are open to large bond issues?

A. Yes, no doubt it could be done.

HON. MR. CONANT: Are we dealing with theories, or practice here, Mr. Chairman?

HON. MR. MACAULAY: Both.

HON. MR. MACAULAY: Q. Referring again, Mr. Walters, to this Hydro system on page 46; that \$33,000,000 item we have already referred to as repayments by Hydro—I see the one above is \$21,000,000 odd over a period of 9 years; that is on the sinking fund plan?

A. Yes, that was Colonel Price's debt retirement.

Q. So that Hon. Mr. Nixon may see them all, you have them marked down to the end of October 31st, 1935?

A. Yes.

Q. Is that sinking fund plan no longer operating, as between the Hydro and the Province?

A. No.

Q. Then what plan is operating?

A. They meet their maturities; they have their own sinking fund there, as debentures, for which they are partly responsible, and as the issue matures, they send us up the money.

Q. You do not think there is anything maturing between now and 1944?

A. Every year there is something; some of those serial bonds are maturing. I will have a statement showing you all the maturities.

Q. All right.

A. We issued that order-in-council which was mentioned in the Hydro enquiry.

Q. Those statements are coming down later on this morning?

A. Yes.

Q. Then, in connection with the Hydro liabilities, will you give us a record of the Hydro issues covering the same period?

A. I think that statement is complete—oh, the Hydro issues?

Q. Yes.

A. Their own issues?

Q. Yes?

A. It will be, if they are not in the direct liabilities, they are in the contingent liabilities.

Q. Will you ask Mr. Brown to bring that down?

A. I have a statement here I was going to file. It is the break down of the indirect liabilities for the fiscal year.

THE CHAIRMAN: Will you describe this so that the reporter can get it accurately—exactly what it is.

A. I think the title there will describe it.

Q. This says: "Comparative Summary of Contingent Liabilities as at March 31, 1937, and as at March 31, 1938."

A. This shows the redemption of the new guarantees.

HON. MR. MACAULAY: Q. That is what I want to go into next, Mr. Walters. That is, a comparison of the financial position of the Province, March 31st, 1938, as compared with March 31st, 1937.

HON. MR. CONANT: Have you a copy of that, Mr. Walters?

A. No, I have not a copy. That is the only one I have. I can send and get a copy. We will get copies of all the statements I am going to file.

HON. MR. MACAULAY: Q. I want to get a comprehensive statement of the financial position of the Province of March 31st, 1938, as compared with the previous year; what are the headings which enter into that? First of all, there would be the debenture debt of the Province. Let us get the headings of what they were for?

A. Ontario Stock Debentures.

Q. The first is "Debentures"?

A. Yes.

Q. And what was the next heading?

A. That will be reduced by the sinking fund —

Q. We need not go into them at the moment. I want the headings first. The next is "Debentures outstanding."

A. Yes.

Q. What is the next?

A. Annuities and certificates.

Q. First, "Debentures," second "Annuities and certificates"?

A. Yes.

Q. And then what is the third thing?

A. The demand deposits of the Province of Ontario Savings Office.

Q. And what is next?

A. Temporary loans, and treasury bills.

Q. And is there any distinction between "Temporary loans" and "Treasury bills"?

A. No.

Q. Then, we will lump them together as No. 4. Anything else?

A. Special funds.

Q. Can you give a better description than that?



A. Yes, on page 53 there is a description—

Q. We will not go into them, of course, now; I just want the headings. All right.

A. That is marked "Special Funds."

Q. Yes. Then what else? That is five headings; anything else? Those are all what you would call "Direct liabilities," are they not?

A. Right.

Q. And is that all the headings of "Direct liabilities?"

A. There is "Miscellaneous, \$9,500.00 "

Q. They are small—

A. That is bonds outstanding, which have never been presented for payment.

Q. That is all the direct liabilities?

A. Yes.

Q. Now, to get the full picture of the financial position of the Province, you would need to know all the indirect liabilities?

A. Yes.

Q. All right, what headings are there for "Indirect Liabilities"?

A. On page 65—the summary is on page 70, at the bottom of the page.

Q. I see that is, "Indirect Liabilities"; they are all summarized on page 70?

A. Yes.

Q. Now, can you give me a statement, Mr. Walters, which would show the position of each of those at the end of the fiscal year, 1937, and at the end of the fiscal year, 1938?

A. Yes, sir. That typewritten statement I have just given you—

THE CHAIRMAN: This is really Exhibit No. 2, as far as the markings are concerned. It may be so marked.

Whereupon the following document was offered and admitted in evidence and marked as Exhibit No. 2, and is in words and figures as follows, to wit:

## PROVINCE OF ONTARIO

Comparative Summary of Contingent Liabilities as at March 31st, 1937, and as at March 31st, 1938.

Description of Security:	Net Liability of the Province as at March 31, 1937	Fiscal Year 1938		Net Liability of the Province as at March 31, 1938
	\$	Additions	Redemptions	\$
Housing.....	1,213,430.96		292,779.92	920,651.04
Municipalities.....	462,543.10		51,868.80	410,674.30
Park Commissions.....	1,557,625.18	1,062,500.00	109,785.09	2,510,340.09
Co-Operative Associations....	117,000.00	14,796.79		131,796.79
Schools.....	2,705,469.48		177,613.29	2,527,856.19
Universities.....	1,564,557.06		82,818.59	1,481,738.47
Hydro-Electric Power Com- mission of Ontario.....	112,800,950.00	21,000,000.00	21,737,950.00	112,063,000.00
Railways.....	17,916,205.00		675,000.00	17,241,205.00
Add: Coupons matured and outstanding as at March 31	37,818.80		16,983.57	20,835.23
	138,375,599.58	22,077,296.79	23,144,799.26	137,308,097.11

## SUMMARY OF INCREASES

	Increase \$	Decrease \$	\$	\$
Park Commissions:				
Niagara Parks Commission, re International Railway Co.....	1,060,000.00			
Presqu'ile Park Commission, Improvements.....	2,500.00			
				1,062,500.00
Co-operative Associations:				
Thedford Cold Storage Co. . .	10,279.26			
First Co-operative Packers of of Ontario.....	25,500.00			
Ontario Cheese Patrons.....		25,982.47		
Orangeville Co-operative . . .	5,000.00			
	40,779.26	25,982.47	Net Addition .	14,796.79
Hydro-Electric Power Com- mission of Ontario:				
re Ontario Power Service Corp. 2½% 1937/42.....	11,000,000.00			
re Ontario Power Service Corp., 3½% 1937/47.....	8,000,000.00			
Temporary Bank Loan.....	2,000,000.00			
				21,000,000.00
				22,077,296.79

A. This shows that the net liability of the Province was in March 31st, 1937, \$138,375,599.58.

Q. What was that amount?

A. \$138,375,599.58.

HON. MR. CONANT: Q. That is the net indirect liability, is it?

A. Yes, that is the indirect liability.

HON. MR. MACAULAY: Q. \$137,000,000.00 odd?

A. \$138,000,000.00 odd—\$138,375,000.00.

Q. That is at the end of 1938?

A. 1937.

Q. What was it in 1938?

A. \$137,308,000.00, a reduction of \$1,000,000.00.

Q. A reduction of \$1,000,000.00 in indirect liabilities?

A. Yes, then I have two columns which give the increases and the decreases.

Q. The main item in this Exhibit No. 2 in the net liabilities, is the Hydro?

A. Yes, sir.

Q. An additional \$21,000,000.00 to the net liability of the Province?

A. Yes.

Q. Then you have a corresponding item of redemption; what do you mean by that—" \$28,000,000.00?"

A. That was a refunding issue directly of the Hydro. I think something like \$22,000,000.00 matured, and \$21,000,000.00 renewed.

Q. So that there was no substantial change in the indirect liabilities of the Province during the year, with respect to the Hydro?

A. No, very little. There was a change of \$1,000,000.00 there.

Q. That was a guaranteed issue, refinanced; that is about all, and it had no bearing on the gross debt of the Province, either?

A. (No audible answer.)

Q. Then the Niagara Parks Commission, as an addition to your indirect liability of \$1,062,000.00?

A. Yes, the Privy Council gave a decision reversing the arbitration award to the International Railway, and they had to find the money.

Q. And that was an increase of the liability of the Province?

A. Yes.

HON. MR. NIXON: Q. If I remember rightly, you said first bonds issued by the Hydro, guaranteed by the Province, were in 1934?

A. No, I think that was some years ago?

Q. I see there are items here back as far as 1918—

A. No, I said the method was changed.

HON. MR. MACAULAY: Q What you meant was there was no longer any direct issue for the Hydro?

A. Yes.

Q. As a matter of fact, it is a long time since there has been any such? Do you know, by referring to your records, when was the last time that the Province made an issue of bonds and turned over the proceeds to Hydro—do you know when that last one was?

A. I do not think it is very long ago. This statement would show that (indicating). Speaking from memory I think the issue of January, 1934, was for the Hydro, but this statement (indicating) will show that.

Q. Then, summing up the direct liabilities and the indirect liabilities, you have filed a statement showing the indirect—a comparative statement of indirect liabilities?

A. Yes.

Q. How do the direct liabilities compare?

A. You will find that in the gross debts on page—

Q. Temporary loans would not be represented?

A. Yes—there was an increase in the gross debt of \$21,000,000.00—at page 43.

Q. Page 43 shows an increase in the gross debt in the year under review of \$21,000,000.00 odd?

A. Yes, sir.

Q. Then, what was the increase in the net debt during the year?

A. \$32,000,000.00.

Q. Why did not the increase in the net debt and the gross debt parallel each other?

A. Well, for this reason. The gross debt might be reduced by, say, the Agricultural Development Board paying in \$2,000,000.00 on account of principal, and although we have reduced the gross debt, we have lost the \$2,000,000.00 of the outstanding assets, therefore we have not made a reduction in the net debt.



For example, supposing we had \$6,000,000.00 in the bank, and we said we would buy in \$5,000,000.00 of treasury bills. We have reduced the gross or outstanding debt by \$5,000,000.00, but inasmuch as we have parted with \$5,000,000.00 in cash, and reduced the \$5,000,000.00 liability, our net debt remains the same, because we parted with \$5,000,000.00 in cash.

Q. So that the figures given out by the Government as to gross debt are not a true indication of the change in the financial position?

A. They are a true indication in so far as the gross debt, but I think the real indication is the net debt.

Q. If you want to find out if a company or Government has gone ahead, you want to find out what the net liabilities are?

A. Except this; in a private corporation, you would have their net assets. If you look on page 43, you will find that the gross debt of the Province is increased by capital expenditures for highways, because while they are revenue producing they cannot be sold; you cannot liquidate them, and therefore, it is an increase in net debt, although some public authorities do not so regard it. I think that is wrong. I think they should be.

Q. Of course, gross debt does not make any difference between revenue producing assets and others?

A. No.

Q. That is the weakness in simply giving a gross debt position without giving the net debt position.

A. Sometimes they give a picture against the public authorities who issues it. For example, you might increase the gross debt by \$30,000,000.00 and have deposits, and that would be one way. On the other hand, you might wisely spend \$30,000,000.00 on highways which bring you a revenue, and still the gross debt would be increased, so it does not give the clearest picture.

Q. You might not increase the revenue that year from the highway revenue?

A. I beg your pardon?

Q. There comes a point where you can build more highways, but not necessarily increase your highway revenue?

A. That is correct. You might build a highway where you have 300 cars a day pass over it, that is as good as a highway which has 2,000 cars passing over it.

Q. It does not increase the revenue at all?

A. It does not increase the revenue at all, no.

Q. Then, another item I wanted to go into, was the highway improvement fund?

Q. Yes.

Q. Have you a statement on that?

A. Yes, sir. This statement (indicating) is in two schedules. The first schedule gives a statement of receipts and expenditures for years from 1910

to 1919, and then right down to 1938. The other picks up the Highway Improvement Fund, the account as at the 31st of March, 1937, and show the receipts and disbursements and the balance of the credit, and in connection with this—whereas this shows the balance on a great deal of the Highway Improvement Fund, of \$75,595,318.11 at the 31st of March, 1938, there has to be added to that, a great deal of the revenue for the year, because you will recall that the Act provides that there shall be credited to the Highway Improvement Fund on the 1st of April—

Q. Yes?

A. —so that the figure I have here (indicating) of \$75,000,000.00 must be increased by the lower figure of \$27,000,000.00.

HON. MR. MACAULAY: Will this be Exhibit No. 3?

THE CLERK OF COMMITTEE: 3-A, and 3-B.

HON. MR. MACAULAY: 3-A is the Highway Improvement Fund's Statement of Receipts and Expenditures for the years to March 31st, 1938, and Exhibit 3-B will be the Highway Improvement Fund at March 31st, 1938.

Whereupon the following document was offered and admitted in evidence and marked Exhibit 3-A, and is in words and figures as follows, to wit:

PROVINCE OF ONTARIO

HIGHWAY IMPROVEMENT FUND

Statement of Receipts and Expenditures by Years to March 31, 1938

Period	Receipts \$	Statutory Grants \$	Total Receipts \$	Expenditures \$
1910—..... 1919 .....		10,000,000.00	10,000,000.00	5,522,493.58
Year ending October 31, 1920 .....	1,580,000.00	3,000,000.00	4,580,000.00	7,112,970.21
" " " 1921 .....	2,075,658.91	10,000,000.00	12,075,658.91	13,909,443.57
" " " 1922 .....	5,311,236.70	13,000,000.00	18,311,236.70	18,047,416.44
" " " 1923 .....	7,377,410.12	17,000,000.00	24,377,410.12	22,005,563.83
" " " 1924 .....	6,178,456.22	3,000,000.00	9,178,456.22	10,694,915.50
" " " 1925 .....	9,155,146.46	3,000,000.00	12,155,146.46	12,379,837.20
" " " 1926 .....	14,240,178.15	3,000,000.00	17,270,178.15	11,042,312.92
* * * 1927 .....	12,219,211.76	3,000,000.00	15,219,211.76	13,382,395.47
" " " 1928 .....	11,886,999.50	3,000,000.00	14,886,999.50	17,007,474.06
" " " 1929 .....	13,335,889.34	3,000,000.00	16,335,889.34	18,795,656.68
" " " 1930 .....	18,916,457.31	3,000,000.00	21,916,457.31	20,707,518.30
" " " 1931 .....	20,012,713.43	3,000,000.00	23,012,713.43	19,467,729.73
" " " 1932 .....	19,984,719.27	3,000,000.00	22,984,719.27	13,357,563.42
" " " 1933 .....	23,266,305.14	3,000,000.00	26,266,305.14	8,712,312.03
" " " 1934 .....	22,825,162.20	3,000,000.00	25,825,162.20	15,211,225.82
Five months ending March 31, 1935 .....	22,603,909.36	.....	22,603,609.36	4,284,940.78
Year ending March 31, 1936 .....	11,639,315.63	.....	11,639,315.63	7,563,460.93
" " " 1937 .....	26,082,363.67	.....	26,082,363.67	10,381,067.85
" " " 1938 .....	28,175,418.08	.....	28,175,418.08	37,684,934.82
	<u>276,866,551.25</u>	<u>86,000,000.00</u>	<u>362,866,551.25</u>	<u>287,271,233.14</u>

Total Receipts ..... \$362,866,551.25  
Total Expenditures ..... 287,271,233.14

Balance at credit March 31, 1938..... \$ 75,595,318.11

Whereupon the following document was offered and admitted in evidence and marked Exhibit 3-B and is in words and figures as follows, to wit:

PROVINCE OF ONTARIO  
HIGHWAY IMPROVEMENT FUND

as at March 31, 1938

	Ordinary	Capital	Total
Balance at credit March 31, 1937			\$ 85,104,834.85
<i>Add</i> —Receipts collected in the Fiscal Year ended March 31, 1937. Credited to the Fund on April 1, 1937, in accordance with the Act—			
Gasoline Tax (Net)		\$15,761,876.97	
Motor Vehicles (Net)		10,916,491.08	
Repayments		1,365,067.48	
Miscellaneous		131,982.55	
			28,175,418.08
<i>Less</i> —Disbursements 1937-1938 Fiscal Year—			\$113,280,252.93
Main Office:			
Travelling Expenses	\$ 62,618.57		
Less Refund	2.75	\$ 62,615.82	62,615.82
Maintenance	87,947.68		
Less Refund	4,421.01	83,526.67	83,526.67
Unforeseen and Unprovided			
Traffic Census		9,563.18	9,563.18
Residency Salaries		2,996.00	2,996.00
King's Highways		233,193.35	233,193.35
Less Refunds	\$29,392,105.14		
	1,401,272.36	3,672,113.49	\$27,990,832.78
			31,662,946.27
Lands and Buildings			
Connecting Links	669,022.76	1,059.52	33,865.70
Less Refunds	180,906.00	1,964.58	488,116.76
			490,081.34
Total—Main Office		28,512,815.24	32,579,847.85
Municipal Roads Branch:			
Travelling Expenses			
Maintenance		30,995.57	30,995.57
Subsidies County Roads		3,135.17	3,135.17
Subsidies Township Roads and Indian Reserves		1,016,600.86	2,031,372.49
Less Refunds	797,465.02		
	683.97	1,492,718.60	2,289,499.65
Total—Municipal Roads Branch		1,813,381.91	4,355,002.88

GASOLINE TAX BRANCH: Travelling Expenses Maintenance	3,181.06	3,181.06	
	1,066.19	1,066.19	
	4,247.25	4,247.25	
Total Gasoline Tax			
Permits, Gasoline Pumps, Signs and Garages Branch: Travelling Expenses Maintenance	7,422.38	7,422.38	
	1,195.56	1,195.56	
	8,617.94	8,617.94	
Total—Permits Gasoline Pumps Branch			
Equipment Branch: Equipment replacements, Repairs and Maintenance Less Refunds	554,325.21		
	73,762.43	480,562.78	480,562.78
Motor Vehicles Branch: Travelling Expenses Maintenance Less Refunds	52,947.89	17,499.00	17,499.00
	56.50	52,891.39	52,891.39
Safety Committee, Advertising Less Refunds Testing Headlights Auto Markers and Supplies Less Refunds	95,799.94	95,729.42	95,729.42
	70.52	5.83	5.83
	87,882.84	87,876.91	87,876.91
Fees, etc	5.93		
		2,653.57	2,653.57
		256,656.12	256,656.12
Total—Motor Vehicles Branch			
		7,358,737.67	30,326,197.15
Total Disbursements			37,684,934.82
Balance at credit March 31, 1938			\$ 75,595,318.11
NOTE.—The Fund will be credited on April 1, 1938, in accordance with the Act, with the following Revenue collected in the fiscal year ended March 31, 1938:—			
Gasoline Tax (Net)			\$17,644,164.47
Motor Vehicles (Net)			8,767,689.24
Repayments			514,983.69
Miscellaneous			211,425.15
			\$27,138,262.55



NOTE.—(See page 310 for Exhibit 3-B.)

HON. MR. MACAULAY: Q. Can you tell us in a general way the difference between the general credit and debit items?

HON. MR. CONANT: Is that statement reflected in the Public Accounts, Mr. Walters?

THE WITNESS: Not in that way.

HON. MR. MACAULAY: Q. Why do you not put the Statement of Highway Improvement Fund in the Public Accounts, Mr. Walters?

A. I don't know. I think it really is supposed to be tabled in the House. I do not know whether they do it any more or not.

Q. It is an anachronism now, is it not?

HON. MR. CONANT: What did you call it, Mr. Macaulay?

HON. MR. MACAULAY: Anachronism.

HON. MR. CONANT: That is a bad word.

HON. MR. MACAULAY: How would you describe it?

HON. MR. MACAULAY: Q. What purpose does it serve in keeping your books?

A. I do not think there is any great practical purpose because I do not think there is—that up to the present time it has not been followed very much, except this; you can always show what is spent on highways. You have heard the statement made that the Government does not pay out on the highway contracts and give back to the motorist an amount equal with what the Government takes in.

HON. MR. MACAULAY: I have heard Mr. Nixon say that very often.

MR. ELLIOTT: Years ago?

THE WITNESS: I do not know about the past—

HON. MR. MACAULAY: We are saying that now, but he used to say it before and we were both right.

HON. MR. NIXON: Q. In one case it may be put into capital expenditures, and in the other case it comes into current revenue, and still it is spent.

THE WITNESS: Yes, we spent \$35,000,000.00 on capital alone.

HON. MR. MACAULAY: Q. Yes, but you did not spend it out of revenue which the motorist paid you?

A. No.

Q. Is that the purpose of the account, to show the receipts and disbursements as charged to revenue? Otherwise, is not a Highway Improvement Fund account just a pure fantasy?

A. I have not read the statute to see what the object of the Act was. It will be set out in the preamble, I think.

Q. So that we can be clear on that, your Highway Improvement Fund Statement, Exhibits 3-A and 3-B, are not only itemized to show the revenue, but what you have put in for expenditures is not expenditures charged to revenue, but expenditures charged either to revenue or to capital?

A. And capital.

Q. So it is not clear, that statement—is it?

A. I think it is clear.

Q. Then it is nothing more than a journal entry to show the total expenditures on highway, whether to capital or current expenditures?

A. That is right.

Q. As a matter of fact, you could have been receiving every year from \$25,000,000.00 to \$35,000,000.00 of highway revenue, and be expending \$25,000,000.00 or \$35,000,000.00 on highways, and still borrowing money for the total highway expenditures?

A. Correct. I think in the year ended 1937, they spent less. Speaking from memory, I believe they spent \$6,000,000.00 in capital, and about \$6,000,000.00 ordinarily.

Q. What year was that?

A. The fiscal year ended March 31st, 1937.

Q. Yes, that was the high peak of your financial endeavours that year?

A. I do not know whether you are trying to pay me a compliment or not. It was a good year, I would like to see the Government run along like that every year.

Q. This Exhibit shows the credit of the Highway Improvement Fund of \$75,000,000.00?

A. Yes, plus the \$27,000,000.00 that will go in.

Q. At the end of this last fiscal year, there would be theoretically, according to the books of this Province, about \$102,000,000.00 as a credit to the funds?

A. Yes, so much more to spend.

Q. But by reason of the way the statement is given publicity, the motorists in the Province will think you have \$102,000,000.00 of their money still to spend on highways?

A. Of course, there are some statutory grants of \$80,000,000.00. One column I think shows a large amount of statutory grants.

Q. But this is a credit, after charging all these grants?

A. Yes, they do not care how you get them; they want you to spend it.

Q. But there has been charged a debit entry of the statutory grant, and notwithstanding the deductions of the statutory grant—

A. Pardon me,—the statutory grants are added to the receipts.

THE CHAIRMAN: Have you got any other copies of that statement?

HON. MR. MACAULAY: Oh, I see. I thought these were grants to municipalities and—

A. No, the statutory grants are made by this Legislature, and are added to the credit fund.

THE CHAIRMAN: Have you got another copy of that statement?

HON. MR. MACAULAY: I thought those were the grants to the municipalities?

A. No, they are statutory grants that were made by this Legislature and were added to the fund.

Q. Have you stopped making any credits on statutory grants since 1934, have you?

A. There have been none made since then.

Q. What right have you got to enter up those statutory grants since that date?

A. They are unnecessary inasmuch as there is a credit in the fund.

Q. If it was necessary to enter them before when there was a credit to the fund, why did you not do it after 1934?

A. I do not know why they made them. I do not see any necessity for doing it. You would know about that better than I would.

Q. I think the statute would tell them?

A. I do not know whether it is compulsory. I have not seen that statute. It would not make any difference if they did, not a particle.

Q. There is no ear-marked fund, in other words?

A. No.

Q. This credit, your highway fund statement shows, is not ear-marked anywhere as available for highway purposes?

A. No, not in fact.

Q. Had you given any consideration, Mr. Walters, to doing as the Chevrier Commission recommends, setting up and ear-marking the funds, the receipts and expenditures, for highway purposes?

A. Yes, it has been considered.

Q. From the Treasury Department's point of view, what is your view of that?

A. Perhaps I should not answer that question because it will be a matter for the Government to decide, and I might be encroaching on Government policy.

Q. What do you recommend, or have you recommended anything?

A. Well, I would be in the same predicament if I answered that question.

Q. Well, that is a matter of public record, is it not?

A. Well, if I answered you that I believed it should be done, and the Government did not do it, I would be going counter to the Government policy.

Q. I am only asking if you had made any recommendation to the Treasurer as to what should be done, because it has been a matter of recommendation of the Chevrier Commission?

A. Well, I may say, Mr. Macaulay, that the Chevrier Commission Report was filed either when we were on our way to Australia or just before. I have never read it. Although I have seen a brief summary of it, I have never read the report.

Q. Did you not take a copy with you in the boat?

A. No.

HON. MR. NIXON: It came in afterwards. You would not expect them to spoil their trip for that.

HON. MR. MACAULAY: Q. You wanted to postpone any tax increase?

A. Well, I would not want to take a trip again and see as little of the detail as I saw, because it was so much of a gallop for me, getting information that I had to get, that I did not have any fun out of it; I can tell you that.



MR. DREW: Q. The others had the fun and you did the work, is that right?

A. Well, I am only speaking for myself.

HON. MR. MACAULAY: Q. I just want you to answer to yourself as a civil servant and an official of the Province of Ontario, and as one who has financial control of the Province; had you ever recommended any ear-marking of highway expenditure?

MR. ELLIOTT: Unless he has given a report, he can only give his own opinion. If he has made any recommendation, then he can be asked a question, and not otherwise.

HON. MR. MACAULAY: He is able to look after himself.

MR. ELLIOTT: It is a matter of evidence.

HON. MR. MACAULAY: It is not a matter of evidence.

THE WITNESS: I would ask you to excuse me from answering that question for the reason that I have stated, that if I said I was in favour or against this or that, and the Government later decided to do this or that, that they would say, You pay a man to give you advice and you do not follow it, so I do not think I should be asked to give an opinion until the Government decided upon a policy.

Q. Well, I would not want to embarrass you at all, but it struck me—

A. Well, it would embarrass me—

Q. Have you made any written recommendation on the matter then?

A. I have never made a written recommendation in the matter.

Q. Have you made any verbal recommendations?

A. I have discussed it.

Q. With the Provincial Treasurer?

A. I have discussed it with the Treasurer, but we both returned here and the Session was on, and I have never mentioned the Chevrier report to the Prime Minister, nor has he to me since we came back, nor the substance of the report.

Q. But it has always been a question of moment to the motorists of the Province as to whether the fund would be set up and the receipts ear-marked?

A. Yes, to the motorists that would not mean as much as it would to the general taxpayer. The motorist, as a motorist, is concerned only that he gets his rates.

Q. He does not care whether we borrow any money or not?

A. Well, I would say to the extent that he is a tax-conscious taxpayer he does.

Q. Well, there are 800,000 of them in the Province, so most of them are taxpayers. They are interested in not only paying the gasoline tax but paying the other taxes of the Province?

A. A man's outlook on taxes just depends on how he pays the taxes. It is a struggle of one class to load it on the other.

Q. Well, motorists are a pretty extensive proportion; they are going to be hit for taxes in various ways. Well, I do not want to go any further on that.

A. I would rather be excused from that.

MR. ACRES: I would say you would be well advised to ear-mark them, and I think the governments have made a sad mistake since 1928 in that there has not been legislation passed, and there has been confusion, and I think the revenue from highways should be ear-marked for highways only, and if not sufficient to carry out the requirements, increase the taxation on certain lines, and I do not think any member of the Opposition would criticize you for that. I think it is one of the most fitting things that has been suggested yet. I am just speaking on my own suggestion, but I think he would be well advised to answer the question, and you would be doing yourself a good act.

HON. MR. MACAULAY: Q. You have some papers on these other questions, or do you want to consider them and go into it to-morrow?

A. You asked me about that summary?

Q. I thought maybe we could clear up some of the points.

A. The Agricultural Development Board—I promised to give you the figures of the Agricultural Development Board, and the interest outstanding.

Q. Yes?

A. As of the 31st of March, 1938, the interest charged was Three million, and 262 thousand odd.

Q. Yes?

A. And interest accrued, but not charged—because of the time of the mortgages—\$640,000—a total of \$3,902,000.

Q. First of all, all interest is charged on the books, is it not, whether it is paid or not?

A. Yes, all interest charged would be arrears of interest.

Q. That would be all arrears, would it?

A. Yes; this statement shows it (producing).

THE CHAIRMAN: That can be put in as Exhibit No. 4.

HON. MR. MACAULAY: It is headed, "Agricultural Development Board Financial Data as of March 31st, 1938."

Whereupon the following statement was offered and admitted in evidence as Exhibit No. 4, and is in words and figures as follows, to wit:

### PROVINCE OF ONTARIO

Agricultural Development Board Financial Data as at March 31, 1938.

#### MORTGAGE LOANS IN ARREARS AS AT MARCH 31, 1938

Number of loans in arrears.....	8,694
Total amount of principal.....	\$30,408,673.09
Principal in arrears.....	3,855,549.66
Interest in arrears.....	3,262,330.31
Total principal and interest in arrears.....	7,117,879.97

During the period April 1, 1937, to March 31, 1938, Loans were reduced by order of the Board of Review of the Farmers' Creditors Arrangement Act as follows:

Book value of farms reviewed.....	\$1,792,085.18
Reduction in principal ordered.....	\$80,125.24
Reduction interest ordered.....	283,324.77
Reduction in sundries, taxes, etc.....	12,091.60

Total amount of reductions ordered.. \$375,541.61

MR. DREW: Q. You mean interest not charged? Do you mean for a period up to that date it had not actually fallen due under the terms of the mortgage itself?

A. Yes.

HON. MR. MACAULAY: Q. These arrears might only have been charged within a day or a month or a year; it might be a short or a long term for arrears?

A. Yes, I have a statement in a book upstairs, but it is only as of the 31st of March, 1937, and I am going to get it brought up to date, and it showed—it broke down the number of people who were one year and two years and three years and four years, and so on, and I think the most of these people—just speaking without accurate knowledge—that seventy-five per cent of these people were four years in arrears.

Q. Seventy-five per cent of the item of \$3,262,000—

A. 22 are over four years in arrears.

HON. MR. CONANT: Q. As of that date?

A. As of that date.

HON. MR. MACAULAY: Q. That would be about two and a half million dollars, you would say, of interest?

A. Yes.

Q. And roughly, that is your estimate—about two and a half million dollars of interest in four years or more?

A. Yes.

Q. That would be an interest on how much principal?

A. Well, it would depend on the year—whether it was one year or two years—I could not break that down.

Q. Well, that is important—

A. Well, it would be twenty-five times that—it would not be that because some of them are one, two, three and four years—

Q. What amount of mortgage principal was in arrears?

A. Well, I would say seventy-five per cent of the principal, and the principal is about forty-four million dollars, so that is thirty-three million dollars in arrears.

Q. That cannot be correct, Mr. Walters, because interest—what rate are you charging?

A. Four per cent.

Q. Interest at four per cent; supposing they are all in arrears; there would be forty-four million odd of loans?

A. Yes.

Q. Four per cent of that for a year is \$1,760,000?

A. Yes.

Q. And four years' interest on that would be over seven million dollars?

A. Yes.

Q. And if you have got any arrears, interest in arrears, three million, two hundred thousand dollars, four years in arrears, there could not be even fifty per cent?



A. No—I said three-quarters of the mortgagors, and it might not be three-quarters of the principal.

Q. It is manifestly less than fifty per cent of the principal. I do not want to delay the matter. If you could file a statement later on, it would serve as a—

A. I will file a statement—

Q. Showing the amount of the principal of the mortgages of the Province of Ontario that is in arrears for four years or more?

A. All right.

Q. Will you do that?

A. I think I will have that to-morrow morning. As of the 31st of March, 1938?

Q. Yes, as of March 31st, 1938?

A. They can get it.

Q. Was there another report sent down? You were going to get a break down of the accounts payable? Has that come down to you yet?

A. Yes, I have it here.

Q. May I see it?

A. I would like to check it up. I want to make some inquiries about it.

Q. Will you inquire about highways?

A. That is what I want to look at.

Q. And then is there something else which was sent down that you want to go into? You were going to get the Hydro maturities and the repayments, and so on?

A. Oh, yes. This is by issues, whereas the one by years would give you the whole comprehensive statement. This would be too cumbersome for your purposes. I will have it made in one statement.

Q. Then what about the bond issues during the year under review? I asked you to prepare a statement of that? Have you got a statement?

A. Yes, sir, I have it. Here is a statement that gives more details than the one on page 35. It shows the bonds issued.

THE CHAIRMAN: That will be Exhibit No. 5.

HON. MR. MACAULAY: "Detail Summary of Changes in Funded Debt for the Fiscal Year ending March 31st, 1938."

Whereupon the following statement was offered and admitted in evidence as Exhibit No. 5, and is in words and figures as follows, to wit:

### PROVINCE OF ONTARIO

Detail Summary of Changes in Funded Debt for the fiscal year ending March 31st, 1938:

As at March 31, 1937—(after deducting  
Sinking Funds.....\$567,973,130.86

#### Add Sale of Debentures—

TI—4 $\frac{3}{4}$  Teachers' and Inspectors' Super-  
annuation Fund, 5 years, Due Nov.  
1/42. Selling Price 100. Effective In-  
terest Rate 4.75%..... \$ 900,000.00

RC—2% 3 years, Due Aug. 1/40. Selling  
Price 99.42. Effective Interest Rate  
2.21%..... 10,000,000.00

RD—2 $\frac{1}{2}$ % 7 years, Due Aug. 1/44. Sell-  
ing Price 97.79. Effective Interest Rate  
2.85%..... 10,000,000.00

CF—5% Canteen Fund—5 years, Due  
Sept. 1/42. Selling Price 100. Effective  
Interest Rate 5.00%..... 700,000.00

RE—2% 4 years, Due Jan. 15/41. Selling  
Price 98.80. Effective Interest Rate  
2.39%..... 8,000,000.00

RF—2 $\frac{1}{2}$ % 8 years, Due May 15/45. Sell-  
ing Price 96.66. Effective Interest Rate  
3.00%..... 5,000,000.00

X BH—3 $\frac{1}{4}$  14 years, Due Nov. 15,  
1949/51. Selling Price 97.30. Effective  
Interest Rate 3.495%..... 12,000,000.00 46,600,100.00

\$614,573,130.86

X—(Callable—1 month's notice on any interest date on or after Nov.  
15, 1949.)

#### Less—Redemptions—

##### At Maturity—

May 15, 1937—AL—5%..... \$ 446,000.00

May 15, 1937—AP—5 $\frac{1}{2}$ %..... 389,000.00

June 1, 1937—AS—4%..... 384,000.00

June 1, 1937—B.E.—2¾%.....	\$11,841,500.00	
June 1, 1937—AX—4%.....	2,000,000.00	
Aug. 30, 1937—BD—2½%.....	7,500,000.00	
Nov. 1, 1937—AK—4½%.....	800,000.00	
Dec. 1, 1937—AH—4½%.....	700,000.00	
Jan. 15, 1938—AJ—4½%.....	800,000.00	
Jan. 15, 1938—AR—4½%.....	338,000.00	
Feb. 15, 1938—BF—2%.....	10,000,000.00	
	<hr/>	
	\$35,198,500.00	
Prior to Maturity—for Cancellation....	2,438,946.67	
Prior to Maturity—for Cancellation— (Succession Duty Free).....	188,400.00	
	<hr/>	
	\$37,825,846.67	
Annuities.....	10,175.00	
Railway Aid Certificates.....	92,594.20	
Sinking Funds.....	971,813.27	38,900,429.14
	<hr/>	
As at March 31, 1938.....		\$575,672,701.72
	<hr/>	
Total New Issues.....	\$46,600,000.00	
Total Redemptions.....	38,900,429.14	
	<hr/>	
Net Increase.....	\$7,699,570.86	

HON. MR. MACAULAY: Q. Referring to this, how many issues of debentures were there during the year under review?

A. Seven.

Q. And they total \$46,600,000?

A. Yes.

Q. Were there any tenders called for any of those?

A. None.

Q. Why not?

A. When we called for tenders—you only get two tenders if you get any.

Q. How many?

A. Two. The fact is that this Government has never received any tenders when they did call for them.

MR. DREW: Q. This Government has never what?

A. I do not think this Government have obtained any tenders that they did call for.

HON. MR. MACAULAY: Q. Well, how often do they call for tenders?

A. To my memory, they called once. They might have called before I came in in 1935.

MR. DREW: Q. In that particular case you referred to, that had nothing to do with the general question of whether you would get tenders or not; it had to do with the particular situation arising from the repudiation of the Hydro-Electric Bonds?

A. Yes, I think so.

Q. So that in all fairness both to this Committee and to yourself I do not think you could suggest that that was any indication of the attitude of the people who would be handling securities towards tendering in cases of that kind?

A. I did not give that as my reason. Mr. Macaulay asked me how many times, and I said once.

Q. But before that you said that it had not been the practice of this Government to call for tenders, and that this Government, in fact, had not received tenders when they called for them. The only time you called for tenders was in the one case in 1935 which was just after there had been a repudiation of the Hydro-Electric bonds, and there was a situation created there, and the brokers themselves decided not to tender because of that fact; is that not so?

A. Yes.

Q. So that that cannot under any circumstances be taken as evidence of the fact that there would not be tenders if you called for them?

A. No, I am not giving my answer for that—

Q. That is so, is it not?

A. Yes, that is a fact.

HON. MR. MACAULAY: Q. Ruling out from your consideration what happened on that one occasion, apart from extreme international tension, do you not think that on the average under normal conditions tenders ought to be received for great funding operations running into forty-six million dollars?

A. No, I do not.

Q. Why?

A. I think the experience of the Government, not only of this Government but its predecessor, showed that better prices can be obtained by negotiation than by calling for tenders.

Q. What is the practice of the Dominion Government?

A. I think that they do it by negotiation and by tender. In London they



call for tenders, but they have underwriters. I think their practice is similar to ours.

Q. I have seen advertisement in the papers myself of tenders by the Bank of Canada calling for these treasury bills?

A. Yes, for treasury bills.

MR. DREW: Q. Do you advertise treasury bills?

A. No.

HON. MR. MACAULAY: Q. Ottawa always gets tenders on the treasury bills?

A. Yes.

Q. I do not know whether they advertise for tenders there or not. Why do you not advertise for tenders for your treasury bills?

A. Treasury bills—they are offered by such bodies as the Dominion Government, and purchased by brokers and financial institutions as well as banks, and they have a special advantage in that they are more saleable than the treasury bills of the Province, because according to the Bank of Canada Act they are traded as cash—they may be traded as cash. Ours have not that advantage.

Q. Are there not enough financial groups in this country to give competition in bidding for treasury bills?

A. I do not think so. There are not enough—there is not enough demand for treasury bills the same as there is in England.

Q. I know, but the department at Ottawa considers that they get better prices for treasury bills by asking for tenders.

A. I think they do; I think that is their practice, yes.

Q. Why do you not try that?

A. Because there is a bigger demand—I do not think we could get—it is a matter of opinion—we have never tried it.

Q. Why not try it?

A. Well, I will tell you the reason that we have not tried it is that we have in nearly every issue of treasury bills we have put out we have nearly always got a better price each time—each time we get better prices—net prices—but the Province is not in the position of the Dominion which has the Bank of Canada behind it. Suppose we were to advertise for tenders, and let us suppose that the life insurance companies came in and took all the treasury bills, and when the time came to meet these treasury bills and the life insurance companies

had just simply used them for short term investments, and had other uses for their money, and we called for tenders again, and the life insurance people and the trust companies did not come in, we are left in the position then that the banks are the only people who would bid, and they would not give us as good a price.

Q. There are a number of banks; is there not any competition among the banks?

A. Well, I think they all drink their coffee together.

MR. DREW: Q. Is there a different group of purchases for Dominion treasury bills and Provincial treasury bills?

A. Yes.

Q. Who would buy the Dominion treasury bills?

A. The insurance companies and some wealthy men and financial institutions, and the Bank of Canada.

HON. MR. MACAULAY: Q. They are all open to buy Ontario treasury bills, too?

A. Yes.

HON. MR. NIXON: Q. Did the Bank of Canada ever buy an Ontario treasury bill?

A. No.

HON. MR. MACAULAY: Q. Why do you not use the Bank of Canada in your financial operations?

A. We tried to once.

Q. Why did you not try it again?

A. I think the joint stock banks give just as good a service as the Bank of Canada.

Q. I thought that is what the Bank of Canada was set up to do.

THE WITNESS: They agreed to do it once.

MR. DREW: Q. When was that once?

A. In 1935, Mr. Graham Towers came here at the invitation of Mr. Hepburn and agreed to buy the Province of Ontario treasury bills—I have recited this before the Finance Committee at Ottawa—and Mr. Nixon was there, and Mr. McQuesten—and I said, “Before this gets down to just a social affair—Mr. Towers is going to lunch”—I said, “What about these treasury bills,” and he

said, "All right, I will send Henderson up next week," and Henderson came up next week, and he came and went, and the next week I knew Mr. Towers was in the City, and he asked me to come down to the Royal York and meet him, and I saw him, and he said that the Bank of Canada would never buy treasury bills off the Province of Ontario except as an ordinary open market transaction.

Q. What date was that? I do not mean the date, what year was that?

A. I think it was 1935. I fix the date by I think—

MR. DREW: Q. The ice was melting?

A. No. Chickpen was running in the King's Plate that day, and I know the name of that horse was discussed, and I think Mr. Towers was advised to bet on Chickpen. I know it did not win, anyway.

HON. MR. MACAULAY: Q. That would be May, 1935?

A. I think it was perhaps about June, 1935.

MR. DREW: Q. Was not Mr. Towers' statement simply this, that they were not prepared to do this by private negotiations but that they would or implied that they would do it on the open market?

A. No.

Q. You have just made the statement, as I understood it, that he would not go into this except on the open market?

A. I meant to say in the words that the banker said, that we will engage in open market transactions; that is to say, Mr. Towers definitely stated that they would not and would never buy the debentures of this Province, that is to say, as an operation of coming up and buying our debentures, but they might casually or occasionally buy them as they would buy any other security of any other public authority, just for the purpose of short date investments.

HON. MR. MACAULAY: What he meant by that was that they would not take a part of any original issues but they might purchase them as an investment on the open market.

A. Correct.

Q. Are they buying any treasury bills of any other province?

A. I think they are.

Q. What province?

A. I think some of the Western provinces.

HON. MR. CONANT: They ought to be good.

HON. MR. MACAULAY: Yes, they ought to be good.

THE WITNESS: I may say that borrowing under treasury bills, we are borrowing to-day money cheaper than the British Government is borrowing it.

MR. DREW: Q. Then I think you will agree there must be a pretty active demand for Ontario securities?

A. Well, the credit is good. There are none available. You cannot buy our 3's of '51—you cannot buy them at par to-day. That is one reason. Another reason is that the market is lowered here with the obligations of other public authorities. The British market fell the day—on the 19th we went into the market. On the day before this Government went into the market, we received instructions from the Prime Minister to negotiate a loan, and I discussed this and reported back, and they said, "If there is no war breaks out to-night and the news is no worse to-morrow morning, we will make you an offer at 9.30 to-morrow morning at such a price," and from the time they saw me until the time that they came back and made this offer, there was a drop in British securities of the  $3\frac{1}{2}$ 's—it dropped from the three per cent conversion, March 1st—dropped from  $93\frac{7}{8}$  to 93. They were off  $\frac{7}{8}$ ths of a point.

HON. MR. MACAULAY: Q. Of course, London was bearing the brunt of the financial operations of the world at that time?

A. Yes.

Q. Would you not say that London is the money market of the world?

A. London and New York.

Q. In a time of great international tension there would be or might be extreme fluctuations in London, and without such extreme fluctuations in Canada or Australia, might there not?

A. Yes, that is exactly my point.

Q. But that has nothing to do with the financial stability of the respective jurisdictions; it has to do with the current supply and demand of national currency?

A. Yes, but the one is concomitant with the other. For example, when the crisis was on September 28th and 29th in London, England, the British war loans dropped from  $102\frac{1}{2}$  to 93, and they were pegged there, but the Bank of Montreal was actually trying to buy our stock for sinking fund purposes, and could not buy it.

Q. During the same time what did the United States securities drop if any.

A. I have not those figures.

Q. I do not suppose they dropped at all?

A. I do not imagine they would. Of course, they have large operations in their exchange management there that they would peg them anyway.



Q. I suppose the Bank of Canada could do the same with Canadian funds?

A. They could do for Canada but they would not do it for the Province.

MR. DREW: Q. We have no stabilization fund such as they have in England?

A. No.

HON. MR. MACAULAY: Q. You think that the Bank of Canada should take more steps to absorb Provincial finances than they are doing?

A. Yes, I certainly think they should. I do not think that they have supported this Province as they should. What I have given in evidence here I have stated before the committee in Ottawa, with Mr. Towers personally.

HON. MR. NIXON: Q. When you refer to the Dominion Government or the Bank of Canada taking treasury notes of the Western provinces, which one actually takes them, the Dominion Government or the Bank of Canada?

A. The Bank of Canada.

Q. You are sure about that?

A. Yes. The Dominion Government may take treasury notes as security for loans, but I think I have seen—the Bank of Canada publishes a report monthly or weekly, and you will see in the list of their assets, securities—provincial securities—

HON. MR. CONANT: It seems a most peculiar and startling statement that they would do that for the Western provinces and won't do that for Ontario.

HON. MR. CAMPBELL: There were a lot of startling things about the Bank of Canada.

THE WITNESS: Well, Mr. Towers was very unfriendly as you know, that day, and when he was in the Prime Minister's room, he was not friendly to me; he had the cold eye of a banker the day when he told me that he would not buy them, and he added that they would never buy them.

HON. MR. CONANT: But none of these provinces is in anything like the financial position of Ontario, is that right?

A. No.

MR. DUCKWORTH: That was about the time that the Hydro contracts were being cancelled?

A. It was.

HON. MR. MACAULAY: Q. Had that any reference to the position Mr. Dunning took?

A. Mr. Dunning was not the Minister of Finance then.

HON. MR. CAMPBELL: Mr. Rhodes.

THE WITNESS: I thought Mr. Rhodes was dead then.

HON. MR. CAMPBELL: Rhodes was the Minister.

HON. MR. MACAULAY: Q. You have never opened up the subject with Mr. Towers or the Bank of Canada since 1935?

A. No, but I have mentioned it to Mr. Dunning.

Q. What does he say?

A. He said that he did not interfere with the Bank of Canada at all.

Q. Well, they own it, do they not?

A. Yes, and the Government has always owned its central bank.

Q. You discussed it with Mr. Dunning and he said that he would not interfere with Mr. Tower's management of the Bank of Canada?

A. Yes.

Q. Did you discuss it later with Mr. Tower?

A. Just in a committee such as this.

Q. What view did Mr. Towers express?

A. Well, Mr. Towers always took the stand that I was mistaken and that he did not promise that he would buy the treasury bills.

Q. You thought that he had undertaken the—

A. He did, and two ministers of the Cabinet heard him—the Honourable Mr. Nixon, and the Honourable Mr. McQuesten—in Mr. Hepburn's office.

Q. When he was here in June, 1935?

A. Yes, May or June.

Q. He denied that statement?

A. He said I misunderstood him.

HON. MR. CONANT: Q. Whether he said it or did not say it, you have never been able to get him to participate in any purchase since then?

A. Correct.

MR. DREW: Q. When they said they would never buy Ontario treasury bills, did he give no explanation for that rather sweeping statement?

A. No, I did not ask him because it was such a great surprise to me—instead of coming here to the Buildings or writing a letter—he was in town, and he called up, and asked for Mr. Hepburn, and I said, “Mr. Hepburn is at his farm in St. Thomas,” and so I 'phoned Mr. Hepburn, and he said, “Well, you go and see him,” and so then I went down to the room at the Royal York, and he told me there.

HON. MR. MACAULAY: Q. You were discussing the favourable position you were in in borrowing money in the Province of Ontario?

A. Yes.

Q. With the Province of Quebec?

A. Well, pardon me, I do not want to put it that way, because I do not think it is very nice for this Province to compare itself with another Province.

Q. Well, I wanted to get at the cost of money for the Province of Ontario as compared with other jurisdictions; what have you to say as to that?

A. Well, I would say that—the cost of money for one public authority as compared with another can be determined by the price that their obligations at a similar maturity are being traded in in the market.

HON. MR. NIXON: Q. That is quoted from day to day?

A. Yes, from day to day. I think I have to-day's quotation here.

HON. MR. MACAULAY: Q. How do the Dominion of Canada and the Province of Ontario issues for similar periods compare?

A. You cannot tell it about short date offers, because short date is bankers'—

Q. Well, let us have a short date. What is the shortest term you issue treasury bills for?

A. Six months, but we have very few out for six months.

Q. What do you get for six months' treasury bills; what is the effective rate of interest on them?

A. I will tell you what is outstanding to-day.

HON. MR. LEDUC: You are referring to the fiscal year ending March 31st 1938?

HON. MR. MACAULAY: Well, I do not know; why does he have to restrict it to that?

HON. MR. LEDUC: Do you mean the cost of money at present?

HON. MR. MACAULAY: Well, wait until I ask something that is going to injure you very badly.

HON. MR. NIXON: The answer was, as I understood it, a proposal to go right into 1939, after the end of the fiscal year.

THE WITNESS: I will give it for 1938,—

HON. MR. MACAULAY: Surely we are entitled to ask the financial comptroller of this Province what he is paying for treasury bills even to-day, are we not.

HON. MR. NIXON: I am not objecting as long as the Committee understand where we are drifting.

HON. MR. MACAULAY: There would be no harm in that, I do not think. However, take the year under review; in 1938, what did the six months' treasury bills get?

A. One per cent.

Q. One per cent?

A. One per cent. We have one for three months; it was sold on a basis of .85 of one per cent.

Q. That is per cent per annum?

A. Per annum.

Q. What would be the comparative yield for a Dominion six months' treasury bill?

A. I think they only issue for ninety days. I have a list of the treasury bills issued just about that time. That was .85 and theirs would be .65 for something like that.

Q. They were getting their short term money twenty per cent cheaper than you then?

A. Yes.

Q. What is the reason?

A. The reason for that is that the banks can always put them in as cash to the Bank of Canada.

Q. Do they not put yours in as cash, too?

A. No.

Q. HON. MR. CONANT: You mean under the Act they can?

A. Under the Act they can.



MR. ELLIOTT: Q. It is the equivalent of cash under the Act?

A. Yes.

HON. MR. MACAULAY: Q. They can use it as a cash reserve?

A. They can use the Dominion but not the Provincial. That is their claim. However, that is a very low rate, I venture to say there are no banks in Ontario that ever got that rate—85 per cent.

Q. And no Dominion has ever got it for .65 either?

A. No, but of course, a good deal of that is tap money.

Q. We are in a period where nobody wants to let their money out in anything at the present time except to lend it to the Government?

A. That is true.

Q. That is not necessarily a healthy condition, is it?

A. No, it is not a bad condition.

Q. You may have easy money for governments and hard money for private enterprise?

A. Well, I think the banks are trying to get everybody to borrow money.

Q. The fact that the Province can borrow cheaply by itself does not prove that the country is prosperous?

A. No, it is more of an indication of sickness of business than soundness.

MR. DREW: Exactly. The low rate at which this government and other governments are borrowing at the present time is evidence of a dangerous condition and an undesirable condition?

A. Yes, cheap money is nearly always an indication of bad times.

Q. So the cheap money in this case has nothing whatever to do with what has been done by the Government of the Province of Ontario; is that right or not?

A. No, it is not right.

Q. Well, what is brought here is that the Dominion Government is borrowing at a rate even lower than you are?

A. The difference between what the Government—between what this Government can borrow and the Dominion can borrow is wholly due to the Bank of Canada.

Q. In any event, we get back to this, that the low rate of money is due to conditions which are highly undesirable?

A. That is correct.

HON. MR. MACAULAY: Q. Take the United States for the year under review. You know something about the short term treasury bills of the United States. What was the Washington Treasury paying in interest rate for six months' treasury bills at that time?

A. I think about half of one per cent.

Q. .5 per cent?

A. Yes.

Q. As compared with your .85 per cent?

A. Yes, of course. We are borrowing money from the Provincial Savings Office at .5 per cent. They have the expense of operating.

HON. MR. CAMPBELL: They can hardly be compared, because they come through the Federal reserve.

HON. MR. MACAULAY: They have a reserve bank the same as the Dominion.

HON. MR. CAMPBELL: They cannot be compared with ours.

HON. MR. MACAULAY: You have a bank here.

HON. MR. CAMPBELL: Yes, but it does not operate in that sense.

THE WITNESS: Even in Australia where they have their own central reserve bank, they pay three per cent.

HON. MR. MACAULAY: Q. What is that?

A. The central bank—I say in Australia the government pays three per cent.

Q. In other words, they do not deliberately depress the interest rate?

A. No. They have a state savings bank there, and in the State of Victoria they have 1,300,000 depositors, which I think is about eighty per cent of the population, and they have sixty million pounds of Australian money on deposit, and they pay three or three and a half per cent interest, and they can turn to them when they have surplus cash and lend it to the commercial banks and the Bank of Australia.

Q. You just mentioned you have an arrangement whereby the Provincial Bank can borrow at .5 per cent?

A. Yes.

Q. That is for an overdraft?

A. No, I did not say we could borrow—I said we are borrowing money—we have deposits in the Provincial Savings Office, and the rate of interest is .5 per annum.

Q. Do you mean you pay the lender one-half of one per cent?

A. We pay the lender one-half of one per cent.

Q. Those are very large sums?

A. Yes, very large sums.

Q. What is the biggest one you have?

A. The largest one is three-quarters of a million dollars.

Q. Someone has deposited three-quarters of a million dollars at one-half of one per cent?

A. Yes.

Q. Can they withdraw that without notice?

A. No.

MR. ELLIOTT: It is not subject to call for six months, is it?

HON. MR. MACAULAY: On notice.

THE WITNESS: We give them a regular deposit receipt form just like the chartered banks use, and I think it is three months' notice we are supposed to have.

Q. How much have you got deposited in the Provincial Bank under terms like that?

A. I think probably three millions.

Q. That is largely where the increase in deposit would come the last few years?

A. Well, we are trying to hold down these deposits. We pay a little better rate than the chartered banks.

Q. What would the chartered banks pay for three-quarters of a million dollars?

A. I do not think they would take it except from certain old customers. They do not pay their corporations any rate of interest on deposits.

Q. You are paying one-half of one per cent, and you do not think the banks will pay anything?

A. We pay one-half of one per cent on all deposits up to ten thousand dollars, and for very large sums of money, they must be negotiated with the Treasurer and he makes a ruling as to what rate they will pay.

Q. And you are not anxious to take that any more?

A. No, sir. You asked me about—

Q. Before I leave, is there something you want to refer to there?

A. You asked me about quotations. Do you want that?

Q. Yes, you were discussing short term issues. Do you want to discuss, say, a fifteen-year issue; can you pick out a fifteen-year issue there; that would be 1953?

A. Well, there are no quotations on the 3's of '51 because we cannot pick them up, or if there could be a quotation, it would be par. We could not buy them with a sinking fund. The 3's of '51 of Quebec, bid 94.50 and asked 96; Nova Scotia 3's of '45; bid 99, and asked 101; New Brunswick, 3's of '51, bid 92, asked 94, and the nearest to Ontario we have is the 3's of '50, asked 99.75, bid 98.75.

HON. MR. LEDUC: Q. What Province is that?

A. Ontario—yielding 3.04.

HON. MR. MACAULAY: Q. What about the Dominion?

A. The Dominion, 3's of '55, are bid 99.75; here is a '53, 3's of '53—no, that is call money; 3's of '55 are bid 99.75, and asked 100.75.

Q. How would Washington's three per cent for fifteen years compare in price?

A. I have not the figure just now, but it would be very similar, or otherwise the Americans would pick up our obligations if there were any in Canada.

Q. I see the Province of British Columbia—

A. There is one thing to remember about when you compare the obligations of the public authority of the United States and those here, that New York State bonds are exempt in the hands of the holder from State income subject to Ontario income tax, and the Dominion income tax.

Q. And is subject to tax in the States as well?

A. Yes, if held there.



Q. Of course, at the time our three way bonds were issued, they were issued in all jurisdictions, were they not?

A. Well, they were being issued I do not think for as long a term.

Q. Are there not Canadian bonds outstanding now payable in three-way currencies?

A. There are, particularly some railroad bonds—the old Grand Trunk bonds of 1862 were payable in three currencies.

Q. Mr. Dunning made an issue last year payable wholly in New York?

A. Yes; of course, that is only in one currency. That is not a disadvantage because in the quotations of the Dominion Government bonds I did not see any offerings of two or three-way bonds, but the Dominion guaranteed bonds—the Canadian National Railway have ten issues payable as three-way bonds, and some are the old Canadian Northern and Grand Trunk.

Q. Do they command a higher price now than the others?

A. Yes.

Q. And I suppose they commanded a better price at the time they were issued by reason of that?

A. Yes, I would think so.

Q. And I see the Province of British Columbia has issued an issue of bonds payable in New York only?

A. Yes, payable in New York only, for three million dollars, I think.

Q. Yes?

A. I think they could not get the money—I saw Mr. Hart up here on his way back from New York. I think he had been to Ottawa, and had been disappointed with the Bank of Canada, and went down to New York.

Q. Is that not what will happen; when money becomes more favourable in New York than in Ottawa and Ontario, Ontario then will start borrowing in New York again?

A. Well, I think there is a great mistake because you will get caught short—

Q. It has started already in the case of British Columbia, has it not?

A. Well, I think that is only a temporary measure.

Q. Whether it is temporary or not, if they can borrow in New York at three per cent, and they can only borrow locally in Canada at five or six per

cent, they are apt to go to New York as long as they can get that saving, are they not?

A. Well, they are foolish because they do not know what rate will apply, because this Government had an experience like that. They borrowed treasury bills in New York, and I think they paid twenty-two per cent before they got their money back.

HON. MR. CONANT: Q. They are gambling on the future exchange?

A. Yes.

HON. MR. NIXON: Q. You do not mean this Government; you mean the Province of Ontario?

A. Yes,—I did not say this Government—the Province of Ontario. It was some years ago. I think it was 1933 or 1934.

HON. MR. MACAULAY: Q. To get back to Exhibit five, showing the bond issues, you do not show who are the purchasers of these bonds; were they same persons?

A. This is a syndicate of all the chartered banks; that is to say, the larger ones. There is the Montreal, and Royal and Commerce and Nova Scotia and Dominion, Imperial and Toronto.

Q. That is the debentures—

A. Yes.

Q. That is the syndicate that bought all your bonds during this year?

A. Yes, that is the syndicate, and I think about twelve or fifteen brokerage houses were with them.

Q. Who managed it?

A. Wood, Gundy and Company.

Q. You deal with Wood, Gundy and Company?

A. Wood, Gundy; Ames, and Dominion Securities.

Q. Who is called the syndicate manager?

A. J. H. Gundy; Wood, Gundy and Company.

Q. Who were the purchasers of these treasury bills during the year?

A. The chartered banks.

Q. All the banks?

A. Well, I will read the banks here—

Q. Have you a statement you can file and that will save time; have you a statement of the treasury bills sold during the year?

A. Yes, I have. I can give you that, except this, that there were two private purchases, and except with the direction of the treasury I would not want to file that.

Q. We are entitled to know who bought the treasury bills. I would ask that you file to-morrow the issues of debenture bills during the year under review.

THE CHAIRMAN: I can see no objection to that. I suppose the Committee should know that.

HON. MR. MACAULAY: Yes. That is the point, whether they should be sold privately without tenders.

MR. DREW: They are subject to the possible interpretation of the Act such as we discussed the other day, as to the right of disclosure. There could not be any question as to the right of disclosure?

A. I know none except for business reasons, I could tell Colonel Drew—

HON. MR. NIXON: There may be some objection to it being broadcast in the press.

THE CHAIRMAN: We will deal with that when the statement is brought in.

HON. MR. MACAULAY: Q. Now, is there anything else you were to furnish this morning, Mr. Walters, other than that statement about the accounts—

A. I think there was one other—no, that is all you asked me about that I have on this memorandum. Are you satisfied with the Agricultural Development Board? Is there something more you want on that?

Q. You were going to find out how much principal there was in arrears?

A. Yes, and then what was the other? The other was a statement of the Hydro issues. We will produce that to-morrow.

Q. And the accounts payable?

A. Yes, the accounts payable.

Q. Have you anything in your working sheets; I would like to get from you a summary of the receipts you received the last month of the fiscal year, or for the twenty days over—

A. Of the money received?

Q. Yes?

A. I do not think there was any money received.

Q. Well, revenue received?

A. I do not think there was any.

Q. In March, 1938?

A. I do not think so. The only money that would be received would be money—whatever there was—yes, there was some received from the Dominion Government—we would take in receipts for money. That is inter-departmental, or money that is in the hands of agents, and legally the property of this Government, as of the 31st of March, or money that is ours, collected by the Dominion Government, or by a commission or other like body; otherwise the revenue stops on the 31st of March. We hold open all accounts, but simply for the purpose of paying accounts that were not received.

Q. There would be some statutory body?

A. Yes.

Q. That is the period after March 31st, but I am now talking about the month of March itself.

A. Oh, I beg your pardon.

Q. The month of March itself. Can you show me receipts by departments for that month?

A. I can.

HON. MR. LEDUC: Are we getting into the next fiscal year?

THE WITNESS: No, he said March, 1938. Yes, I will produce that.

HON. MR. MACAULAY: If I can see that before to-morrow. I may not have to go into it.

A. I will get that for you this afternoon. That is March, 1938.

Q. That is March, 1938?

A. Capital and ordinary?

Q. Yes.

A. I have undertaken to produce three other things—one, is a break-down of the principal of the Agricultural Development Board, and second, a statement of the obligations of the Hydro Electric Power Commission, and the third is a statement of accounts payable, the break-down.



Q. And the fourth is the treasury bills?

A. Yes, the fourth is the treasury bills, and now the fifth is a statement of receipts for the month of March, 1938.

Q. Yes.

THE CHAIRMAN: Moved by Mr. Conant and seconded by Mr. Leduc that we adjourn to ten o'clock to-morrow morning.

Whereupon the further proceedings of this Committee adjourned at 12.25 p.m. until Tuesday, April 25th, 1939, at ten o'clock in the forenoon.

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### SEVENTH SITTING

Parliament Buildings, Toronto,  
Tuesday, April 25th, 1939, 10.00 a.m.

The further proceedings of this Committee reconvened pursuant to adjournment.

MR. J. M. COOPER, M.L.A., Chairman, presiding.

THE CHAIRMAN: Order, please. The Secretary will please call the roll.

The roll called by Secretary of Committee.

THE CHAIRMAN: All right, Mr. Macaulay, will you proceed.

MR. CHESTER A. WALTERS, recalled.

HON. MR. MACAULAY: Mr. Walters, there were a number of statements you were to produce. Shall we start with the Treasury?

A. I produce two statements, the one showing the treasury bills issued for the fiscal year ended March 31st, 1938, representing a total of Sixty-seven and one-half million dollars. That is the total of all issued during the year.

And a statement of the treasury bills outstanding at the end of this fiscal year, showing the date of maturity, the date of issue, the series' numbers, the rate of interest, the maturity, the name of the purchaser, the amounts, and the domicile.

Q. And what was the amount of that?

A. \$49,000,000.00.

THE CHAIRMAN: This will be Exhibit No. 6.

Whereupon the following documents were produced and offered in evidence, and marked Exhibit No. 6, and are in words and figures, as follows, to wit:

PROVINCE OF ONTARIO  
TREASURY BILLS OUTSTANDING AS AT MARCH 31, 1938

Date of Maturity 1938	Date of Issue	Series	Rate	Term	Purchasers	Amount Outstanding	Domicile
June 1	1937, June 1	RT-J (01-12) RT-F	1.75 1.75	1 Year 1 Year	Montreal Commerce	\$6,000,000 00 5,000,000 00	Toronto
Sept. 13	1937, Sept. 13	EB (001-100)	1.65	1 Year	Commerce	10,000,000 00	Toronto
Sept. 13	1937, Sept. 13	FC (01-12)	1.65	1 Year	Montreal	8,000,000 00	Toronto
Nov. 1	1937, Nov. 1	FD (01-20)	1.75	1 Year	Montreal	10,000,000 00	Toronto
1939							
Feb. 15	1938, Feb. 15	RT-K (001-100)	1.65	1 Year	Montreal	10,000,000 00	Toronto
Mar. 12	1938, Mar. 12	RT-L (01-04)	1.50	1 Year	Nova Scotia	2,000,000 00	Toronto
						<u>\$49,000,000 00</u>	

HON. MR. CONANT: Q. Are these purchasers all financial houses?

A. Those are all chartered banks.

HON. MR. MACAULAY: Q. Then you have a statement of those outstanding at the end of the year; did you file that?

A. Yes, that amounts to \$49,000,000.00.

MR. MACAULAY: These are two different documents.

THE CHAIRMAN: Then the second document will be marked Exhibit No. 7.

Whereupon the following document was offered and admitted in evidence, and marked Exhibit No. 7, and is in words and figures, as follows, to wit:

PROVINCE OF ONTARIO  
TREASURY BILLS ISSUED FOR THE FISCAL YEAR ENDED MARCH 31, 1938

Date of Maturity	Date of Issue	Series	Rate	Term	Purchasers	Amount Issued (Par Value) \$	Domicile
1938, June 1	1937, June 1	E-A	1 $\frac{3}{4}$	1 Year	Dominion Bank	1,500,000.00	Toronto
1937, Dec. 1	1937, June 1	RT-F	1 $\frac{3}{4}$	1 $\frac{1}{2}$ Year	Bank of Commerce	5,000,000.00	Toronto
1938, June 1	1937, June 1	RT-F	1 $\frac{3}{4}$	1 Year	Bank of Commerce	5,000,000.00	Toronto
		RT-J	1 $\frac{3}{4}$	1 Year	Bank of Montreal	6,000,000.00	Toronto
1937, Nov. 15	1937, June 15	RT-H	1 $\frac{3}{4}$	5/12 Year	Royal Bank	10,000,000.00	Toronto
1938, Sept. 13	1937, Sept. 13	EB	1.65	1 Year	Bank of Commerce	10,000,000.00	Toronto
		EC	1.65	1 Year	Bank of Montreal	6,000,000.00	Toronto
1938, Nov. 1	1937, Nov. 1	ED	1 $\frac{3}{4}$	1 Year	Bank of Montreal	10,000,000.00	Toronto
1938, Mar. 12	1937, Nov. 12	EF	1 $\frac{1}{2}$	4/12 Year	Bank of Nova Scotia	2,000,000.00	Toronto
1939, Feb. 15	1938, Feb. 15	RT-K	1.65	1 Year	Bank of Commerce	10,000,000.00	Toronto
1939, Mar. 12	1938, Mar. 12	RT-L	1 $\frac{1}{2}$	1 Year	Bank of Nova Scotia	2,000,000.00	Toronto
						<u>\$67,500,000.00</u>	

NOTE.—All Treasury Bills issued and sold at Par.



MR. ELLIOTT: Are they both the same?

THE CHAIRMAN: No.

HON. MR. MACAULAY: Q. These treasury bills; the longest period, Mr. Walters, according to Exhibit No. 7, is one year?

A. Yes.

Q. You never issued them for longer than that?

A. Yes, sir, we have some out now for three years.

Q. Subsequent to these?

A. Yes, sir.

Q. Do you not think that is an excessive period?

A. It is an advantage, because if you can get a lower rate on treasury bills than you can on debentures, you save the expense of engraving debentures, and it has the same effect.

Q. Is the rate on these three-year treasury bills any less than you get on the three-year bonds?

A. Yes. We have not a three-year bond out lately; the last issue we put out was three and one-half years, and the cost was 2.30.

Q. What is the rate on the three-year treasury bills?

A. 1.65.

Q. I suppose the rates dropped in the meantime?

A. Yes. We thought it better to take advantage of it, because it might be only a temporary situation.

Q. With the debt position that the Province has, what, in your opinion is the sound ratio of, say, treasury bills, and short term bonds, and the longer term bonds?

A. Well, I think that in five years you should not have more than 25% of your debt outstanding.

Q. In five years?

A. Yes. I believe the United States has much higher than that. I think 51% of their debt matures in five years.

Q. That is the Federal administration?

A. Yes. I would not point to it as any model, at all.

Q. There is a tendency to increase the term on short term obligations when the rates are so low?

A. Yes; they do a tremendous operation in treasury bills in Great Britain.

Q. Well—

A. In England,—in Great Britain—there are outstanding at the end of December, 1938—they issued pounds 521,000,000.00 sterling. Of course, they have a much larger jurisdiction, but they deal tremendously in treasury bills in Great Britain.

Q. Take the Province of Ontario, in the fiscal year under review, can you give us the total of the funded and unfunded debts in treasury bills, and in obligations under five years, and obligations over five years funded?

A. I cannot, without breaking it down for five years.

Q. Whatever shorter period you have available there?

A. The total gross debt of \$678,000,000.00.

Q. \$678,000,000.00?

A. Yes. The demand deposits are \$40,000,000.00, and the treasury bills \$49,000,000.00

Q. And the longest term of those at the time was one year?

A. Yes, sir. That is approximately \$90,000,000.00—a little over 12½%.

Q. Then, have you any record of the short term bonds in three, five, or any convenient maturity?

A. I would have to make a computation of that.

Q. Could you estimate it approximately? What do you call a “short term bond” under to-day’s conditions?

A. I would say three years or under.

Q. Three years or under?

A. Yes, sir. The Bank calls them “shorts” when they are from three to four years.

On the schedule of the funded debts outstanding at that time, maturing in June, we had \$20,000,000.00 of which \$18,000,000.00 was redeemed, leaving \$2,000,000—I can add these up here for you.

Q. I wish you would, please?

A. About \$50,000,000.00.

Q. Under three years?

A. Yes, and to be added to that should be the amount that falls due each year on the serials.

Q. Where it used to be regarded that anything under ten or fifteen years was a short term bond, when you were in Ottawa?

A. Yes, sir. But the situation was entirely changed. People would not buy. It is pretty hard to sell a bond over ten to fifteen years now.

I know of one Province—I will not mention the name—which put out an issue of \$30,000,000.00, and they only sold \$18,000,000.00 and there is \$12,000,000.00 left; the maturity is too long.

Q. What term were they?

A. They ran from ten years up.

HON. MR. CONANT: Q. Hoping for a higher interest rate?

A. Yes. A long term financing has its dangers. I am not criticising one government against another, but one government very wisely put out long term financing. They say, "We do not have to worry about anything until 1945, let us issue a lot of short stuff. It is a good thing to keep a government in a position where these are recurring.

Q. Keeping them in hot water, in other words?

A. I have always advised against selling treasury bills which represented amounts of borrowings for which should have been paid out of revenue. I think it is bad business.

SEVERAL HON. MEMBERS: Hear, hear.

HON. MR. MACAULAY: Q. You have had a fairly high percentage of the debt represented by treasury bills, as compared with previous treasurers?

A. I think so. I think there were \$47,500,000.00 when this Government took office.

Q. How high has it go to, at any time, during your administration?

A. \$62,000,000.00 was the high point; \$67,500,000.00 was the borrowings within the year, but they were refunding others.

Q. Are you gradually cutting that down, or do you intend to leave it at about that figure this year?

A. I do not think we will put it any higher.

Q. Now, that is the statement of treasury bills.

A. Yes.

Q. Now, you were going to bring down that statement of Hydro issues?

A. Yes, sir.

Q. Have you the statement of the Hydro?

A. Yes; it is two schedules, sir—or three, rather.

The schedule No. 1, is a schedule of repayments received in respect to the share of the maturing funded debts and treasury bills of the Province of Ontario, allocated to the Hydro-Electric Power Commission, during the period from November 1, 1934, to March 31, 1938.

You did not ask me for this, but I thought that you would want to see it.

HON. MR. MACAULAY: Thank you.

THE CHAIRMAN: That will be Exhibit No. 8.

Whereupon the following document was offered and admitted in evidence and marked Exhibit No. 8, and is in words and figures as follows, to wit:

### PROVINCE OF ONTARIO

Schedule of Repayments Received in respect to the share of maturing Funded Debt and Treasury Bills of the Province of Ontario allocated to

#### THE HYDRO-ELECTRIC POWER COMMISSION

During the period from November 1, 1934, to March 31, 1938

October 31, 1935.....		\$ 2,410,683.65	
December 2, 1935.....	\$ 7,436,297.86		
December 31, 1935.....	4,000,000.00		
March 31, 1936.....	999,603.01	12,435,900.87	\$14,846,584.52
May 2, 1936.....	7,872,683.52		
June 2, 1936.....	643,558.51		
August 31, 1936.....	680,295.59		
September 12, 1936.....	1,181,503.81	10,378,041.43	
November 2, 1936.....	469,916.60		
December 3, 1936.....	271,155.91		
January 4, 1937.....	8,277,937.36		
January 15, 1937.....	302,502.71		
January 16, 1937.....	1,462,662.83	10,784,165.41	21,162,206.84



## Exhibit No. 8—Continued

May 15, 1937.....	346,516.56		
May 31, 1937.....	252,369.90		
August 30, 1937.....	482,260.62	1,081,147.08	
November 1, 1937.....	375,063.92		
December 1, 1937.....	190,706.11		
January 15, 1938.....	305,379.96	871,149.99	1,952,297.07
			<u>\$37,961,088.43</u>

## Summarized from Province of Ontario Public Accounts

Year ending March 31, 1936—

Folio 21.....	\$ 2,410,683.65	
Folio 21.....	12,435,900.87	14,846,584.52

Year ending March 31, 1937—

Folio 32.....	21,162,206.84
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Year ending March 31, 1938—

Folio 33.....	1,952,297.07
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\$37,961,088.43

THE WITNESS: The next statement is a statement of the allocation of the maturing Provincial Funded Debt and Treasury Bills to, and the repayment received in respect thereto from the Hydro-Electric Power Commission for the period from November 1, 1934, to March 31, 1938.

THE CHAIRMAN: That will be No. 8-A, and they can go in together.

THE WITNESS: That is detailed in another way with the certificate of the Chief Accountant.

Whereupon the following document was offered and admitted in evidence and marked Exhibit 8-A, and is in words and figures, as follows, to wit:

PROVINCE OF ONTARIO

THE HYDRO-ELECTRIC POWER COMMISSION

for the period from November 1, 1934, to March 31, 1938

Statement of the allocation of the maturing Provincial Funded Debt and Treasury Bills to and the repayments received in respect thereto from

Maturing Funded Debt and Treasury Bills—						
Series	Due	1934 to 1937	190,706.11	190,706.11	190,706.11	762,824.44
AIH	December 1,	1935 to 1938	235,914.73	235,914.73	235,914.73	943,658.92
AJ	January 15,	1934 to 1937	375,063.92	375,063.92	375,063.92	1,500,255.68
AK	November 1,	1935 to 1938	60,833.46	63,710.72	66,587.98	260,597.39
AR	January 15,	1935 to 1937		184,191.39	191,327.14	574,427.38
AL	May 15,	1935 to 1937		135,085.72	141,156.99	423,850.42
AP	May 15,	1935 to 1937		98,336.53	102,491.59	307,197.77
AS	June 1,	1935 to 1937		146,313.97	146,168.88	438,483.10
AX	June 1,	1935 to 1937		679,492.59	677,046.50	1,838,799.71
BD	August 30,	1935 to 1937				305,722.30
AU	February 1,	1935	305,722.30			516,670.31
DJ	November 1,	1934 (Treasury Bill)	516,670.31			1,018,297.65
KK	April 1,	1935		1,018,297.65		9,501,805.17
RR	December 1,	1935		9,501,805.17		9,736,351.33
FF	May 2,	1936			9,736,351.33	636,349.38
DN	September 12,	1936 (Treasury Bill)			636,349.38	10,145,532.98
ZZ	January 3,	1937			10,145,532.98	1,462,662.83
BA	January 16,	1937			1,462,662.83	40,373,486.76
			1,684,910.83	12,628,918.50	24,107,360.36	1,952,297.07
Less	Sinking Fund Installment deposited with the Province of Ontario on October 31, 1934, and subsequently applied in retirement of maturing obligations		1,684,910.83	12,628,918.50	24,107,360.36	2,412,398.33
			2,412,398.33			37,961,088.43
			727,487.50	12,628,918.50	24,107,360.36	37,961,088.43
			727,487.50	14,846,584.52	21,162,206.84	
Less	Repayments (as per Schedule)		727,487.50	2,217,666.02	2,945,153.52	
Yearly	Overpayment of Underpayment					

I hereby certify that the above detail listing of the Hydro-Electric Power Commission's share of the maturing Funded Debt and Treasury Bills of the Province of Ontario, amounting in total to \$40,373,486.76, was calculated upon the basis set out in the Plan for the pro-rating of the total advances as at October 31, 1934, less repayments as at October 31, 1933, over the outstanding Funded Debt and Treasury Bills of the Province as at October 31, 1934.

I also certify that the repayments amounting to \$37,961,088.43 and as listed in detail on Schedule 1 are the only moneys received in this respect during the period from November 1, 1934, to March 31, 1938.

I further certify that the excess of advances to the Hydro-Electric Power Commission over requirements, amounting to \$247,507.98, for the year ending October 31, 1934, was treated in the Plan as a short term loan and was repaid on March 31, 1935, and that an advance of \$296,100.00 made as at March 31, 1935, was repaid on October 31, 1935.

HUGH E. BROWN, C.A.  
Chief Accountant, Treasury Department

THE WITNESS: This comes out of the fact that the first statement they gave me showed more than you asked for. They gave more information than was required, and I thought that this would tie it up.

This (indicating) is the statement you asked for.

This is the schedule of Hydro shares in the Provincial loans as at October 31st, 1934, showing the amounts repayable in the various fiscal years to final maturity.

THE CHAIRMAN: That will be Exhibit No. 8-B.

Whereupon the following document was offered and admitted in evidence, and marked Exhibit 8-B, and is in words and figures as follows, to wit:

PROVINCE OF ONTARIO  
HYDRO-ELECTRIC POWER COMMISSION  
OF ONTARIO

Schedule of Hydro's share in the Provincial Loans as at October 31st, 1934, showing the amounts repayable in the various fiscal years to final maturity.

Fiscal Year Ending	Amount
March 31, 1935.....	\$ 1,684,910.83
March 31, 1936.....	12,628,918.50
March 31, 1937.....	24,107,360.36
March 31, 1938.....	1,952,297.07
March 31, 1939.....	1,780,102.71
March 31, 1940.....	2,221,810.95
March 31, 1941.....	7,718,676.91
March 31, 1942.....	1,695,619.34
March 31, 1943.....	14,220,248.84
March 31, 1944.....	15,762,017.40
March 31, 1945.....	10,088,826.50
March 31, 1946.....	1,528,198.38
March 31, 1947.....	4,433,979.38
March 31, 1948.....	2,020,761.06
March 31, 1949.....	15,982,732.52
March 31, 1950.....	1,658,948.91
March 31, 1951.....	2,784,701.84
March 31, 1952.....	1,732,499.88
March 31, 1953.....	10,489,933.08
March 31, 1954.....	1,812,519.15
March 31, 1955.....	1,855,747.15
March 31, 1956.....	1,899,903.67
March 31, 1957.....	1,755,903.45
March 31, 1958.....	1,567,725.60
March 31, 1959.....	1,242,465.41
March 31, 1960.....	14,753,701.79
March 31, 1961.....	15,443,982.03

## Exhibit No. 8-B—Continued

March 31, 1962.....	\$ 1,407,254.25
March 31, 1963.....	1,466,208.76
March 31, 1964.....	1,528,712.03
March 31, 1965.....	1,592,934.28
March 31, 1966.....	1,659,670.03
March 31, 1967.....	1,729,503.59
March 31, 1968.....	1,414,789.02
March 31, 1969.....	1,474,479.07
March 31, 1970.....	1,072,859.23
March 31, 1971.....	1,119,358.38
March 31, 1972.....	403,872.28
	<hr/>
	\$189,994,133.63

## RECONCILIATION

Total as above.....	\$189,994,133.63
<i>Add</i> —Short Term Loan October 31, 1934 (not included in above).....	247,507.98
	<hr/>
	\$190,241,641.61
<i>Deduct</i> —Repayment from Sinking Fund October 31, 1934 (not included in above).....	2,412,398.33
	<hr/>
Net Advances to Oct. 31, 1934, as per Public Accounts— page 36.....	\$187,829,243.28

HON. MR. MACAULAY: Q. That is all right.

A. They show the amounts. Of course, three of the fiscal years have elapsed before this.

HON. MR. CONANT: Q. Mr. Walters, I do not quite understand, and it might be well to point it out at this time; you say "Secedule of Hydro's share of Provincial loans as at October 31st, 1934, showing the amounts repayable in the various fiscal years to final maturity."

Over the years when these moneys were advanced, were they segregated, and set up, so that a certain amount was allocated to the Hydro?

A. No, the work was just completed. As a matter of fact, it took three years to complete the work—

Q. You mean the segregation?

A. It took from six to eight months to calculate the interest. The Auditors of the Hydro, Messrs. Austin, Hudson & Company and Mr. Brown—



Q. This was the result?

A. Yes.

Q. This would not arise again under the new system?

A. Oh no.

HON. MR. NIXON: Q. At what date does the Hydro make the last repayment to the Province?

A. It shows on the schedule there.

HON. MR. CONANT: 1972.

HON. MR. MACAULAY: Q. None of these statements, Mr. Walters, show the Hydro issues during this period?

A. No, sir. The Hydro themselves?

Q. Yes?

A. No.

Q. That is a point I wanted to check on. We see here in the statement marked Exhibit No. 8, that you have received—

A. The Hydro is preparing that, and will send that up.

Q. I mentioned it yesterday—

HON. MR. CONANT: Pardon me, Mr. Macaulay.

HON. MR. CONANT: Q. Do I understand this, that beside the amount of maturities set out on this Exhibit 8-B, there were other financings by the Hydro on their own issues?

A. Yes, there was some.

Q. Well, did the Province guarantee those?

A. Yes; I think so. I do not think they have ever issued any without the Province's guarantee.

Q. So that the Province had a mixed system; it is the same; some of it was financed directly by the Province—

A. It does not have a mixed system now.

Q. No, but in years past?

A. You mean to say they adopted two methods?

Q. Yes?

A. You will find on page 66 of the Public Accounts there are some guarantees of the Hydro-Electric Power Commission.

HON. MR. NIXON: Q. There is one here, August 7th, 1917?

A. Yes, sir.

HON. MR. MACAULAY: Q. When did you say they finished this work of allocating the various advances?

A. In the calendar year 1936 which will probably be in our fiscal year 1936 and 1937.

Q. In the meantime, I see from Exhibit No. 8, that the Hydro paid to the Province 14.8 millions in the fiscal year 1936?

A. That is right.

Q. Prior to the completion of that audit?

A. They paid on an estimated amount each year. As a matter of fact, the first year they overpaid. That large sheet (indicating) will show in the two red ink figures.

Q. All they paid in the first year was 2.5 million dollars?

A. Yes, and I think they overpaid \$750,000.00 that year. We had to pay interest back to the Hydro on that.

Q. The Hydro for years had just been paying on a debt retiring scheme a couple of million dollars a year?

A. I cannot tell without looking at the figures—

Q. Well, moderate amounts?

A. Yes.

Q. And on the debt retiring scheme, which was applicable to the Hydro, and if there had been funds, to the other issues of the Province, and in the 1936, you really “went to town” getting repayments; you stepped it up from \$2,000,000.00 the previous year to 14.8 million dollars that year?

A. The debt retirement scheme had broken down the year before. It was never carried out, Mr. Macaulay.

Q. Oh, that is not my question. I say you stepped up the payments from Hydro to the Province from \$2,000,000 in 1935 to 14.8 millions in the year 1936?

A. Yes, because in 1935 it was decided to separate the financing of the two bodies.

Q. And that is why I want the Hydro to show that while they were paying you off, they were issuing bonds for as great or greater amounts?

A. No question about that.

Q. You will send that statement up this morning?

A. Yes.

HON. MR. NIXON: Are these issues in here?

HON. MR. MACAULAY: No. You mean the Hydro issues?

HON. MR. NIXON: Yes?

HON. MR. LEDUC: At page 66.

MR. FROST: Q. Mr. Walters, I notice in the year ended the 31st of March, 1937, there are shown as payments of Hydro \$21,162,000.00 odd; was that all paid by Hydro out of their various funds, or was it refunded, and does it come under indirect liabilities of the Province?

A. It does come under the direct liabilities.

HON. MR. MACAULAY: Q. They did not make any payment of reserves?

A. I think you will find some \$700,000.00 in the statement I gave you yesterday.

Q. What are their immense reserves invested in — without going into exact dollars and details?

A. They are invested in Province of Ontario debentures, and in Dominion of Canada's.

Q. And also in the property itself?

A. Yes.

MR. CHALLIES: Q. That is covered by law?

A. Yes.

MR. CHALLIES: May I ask a question, Mr. Chairman?

HON. MR. MACAULAY: Q. These Hydro issues on page 66. Mr. Walters, you say you will file a statement for the fiscal year. They are not segregated?

HON. MR. CONANT: They are spread over the whole period.

HON. MR. NIXON: The date of issue is there in each case.

MR. CHALLIES: Q. Just a question in connection with the question of the allocation of repayments from the Hydro to the Treasury for this year; do you recall a question asked, I think it was two years ago, for a statement of all moneys due to the Province by Hydro?

A. Yes.

Q. And the only one during this year that was actually due was the \$9,000,-000.00 for the Dominion Power and Transmission?

A. No, I do not recall that.

Q. It was in the Votes and Proceedings of a year or so ago?

A. I have a certificate here from the accountant of the Hydro which says:

"I hereby certify that the amount of interest (including bond discount) the commissions and foreign exchange paid by the Hydro-Electric Power Commission to the Province of Ontario is \$30,010,039.88; and the amount representing the Commission's share of maturing debentures and treasury bills, namely, \$37,961,088.43, were all of the moneys paid to the Province in respect of the debt of the Hydro-Electric Power Commission of Ontario, during the period from November 1, 1934, to March 31, 1938."

Q. What date is that?

A. That is dated June 14th, 1938.

Q. That must have been under the new allocation payments then?

A. Yes.

Q. The question was asked—if we can get the Votes and Proceedings for 1935, 1936 and 1937, the answer is there; the question was asked, "What money was due the Province by the Hydro for the fiscal year,"—and each year was mentioned—and the only amount that was due—actually due—was the \$9,000,-000.00 issued in payment for the Dominion Power and Transmission, so I am just trying to reconcile that statement with your statement;—how you get at \$21,000,000.00 while the next year it drops down to only a few millions?

A. The statement I issued was in accordance with the certificates, because I obtained the certificate at the time, and checked it with my own accountants' work here. This (indicating) is from the Provincial Auditor, and the other is from the Accountant of the Hydro-Electric Power Commission.

Q. That is, according to the allocation of the debt?

A. That was the debt, Mr. Challies, because the Hydro had actually got that money. The way we allocated the debt was by having their firm of auditors



and the accountant of the Treasury go in and agree upon the amount of money they had received as the proceeds of these respective borrowings.

Q. Irrespective of anything that was due for bond issues, falling due, that is?

A. They were jointly responsible to us. They got the money. They only paid interest on it, at the rate we paid.

HON. MR. MACAULAY: Q. I am referring now to Exhibit 8-B; would it not have been better to even out the peaks and valleys, and have an approximately equal amount each year, rather than have \$24,000,000.00 paid in 1937, and \$1,000,000.00 in 1938, and I see down in 1945, you will have \$10,000,000.00 paid off, and in 1946 \$1,000,000.00 paid off?

A. I do not think it would have been better, because that was their assurance when the debentures were first issued. So much money was handed over to the Hydro, and I think they expected to repay it, but when Colonel Price was the Provincial Treasurer, they brought in a debt retirement scheme which was never carried out.

Q. You have not given any consideration to the debt retirement scheme of the Province as well?

A. Yes, sir.

Q. Have you any concrete plans?

A. Well, of course, the first thing in a debt retirement scheme—that is what was wrong with the other debt retirement scheme; a debt retirement is no good, unless you carry it out, and stop borrowing.

MR. CHALLIES: That is right.

SEVERAL HON. MEMBERS: Hear, hear.

MR. FROST: Q. You could show debt reductions?

A. Yes.

HON. MR. NIXON: Q. It does not look very well to borrow the money to pay the debt?

A. No, you are borrowing the money to retire one debt.

MR. CHALLIES: Q. It would not have worked out very well in the last three or four years?

A. No.

HON. MR. MACAULAY: Q. What is your idea?

A. We are beginning work on it now. The Prime Minister made a statement about the Hydro constructions. The first thing is to bring your ordinary capital—your expenditure within the ordinary capital receipts.

SEVERAL HON. MEMBERS: Hear, hear.

THE WITNESS: Any debt retirement scheme falls down if you do not do that.

HON. MR. MACAULAY: Then you do not think any rigid scheme in advance is of any value to the debt retirement scheme?

A. No. You have to live first within your income.

Q. You have to save in the good years, and do the best you can in the lean years?

A. That is it. Of course, the trouble with some of us is when you show a big surplus everybody wants to spend, whereas it would be better if the Government would refrain from spending in the good years, and spend in the lean years.

HON. MR. CONANT: As somebody once said, "We had the money, and we spent it"?

HON. MR. MACAULAY: Q. In 1937, you permitted yourself to spend \$50,000,000.00 on highways?

A. There was no election last year, and we spent more last year. Maybe that was gratitude.

MR. FROST: Maybe you were paying up the bills.

HON. MR. MACAULAY: Q. Most of it was paying up the bills you held over from the previous year?

A. I do not think there were any bills held over.

Q. We will come over to that later on.

MR. FROST: Q. Will you turn to page 44, of the 1938 accounts—

HON. MR. CONANT: Is not what a former treasurer said, the Hon. Mr. Henry, "We had the money, and we spent it?"

HON. MR. NIXON: No, that was Mr. Montieth.

MR. CHALLIES: That was Mr. Montieth.

MR. FROST: That is the policy of the present Government, too.

MR. FROST: Q. On page 44 it gives the gross debt in 1935 as \$674,000,000.00—

A. You mean the net debt?

Q. No, I am taking the gross figures for the moment, at the top line?

A. Yes.

Q. In 1935 it was \$674,000,000.00 and in 1936 it was \$689,500,000.00; in 1937 it was \$656,000,000.00, and in 1938 it was \$678,000,000.00?

A. Yes.

Q. That shows there in 1937 a reduction of about \$33,000,000.00 roughly?

A. It shows what, Mr. Frost?

Q. It shows a reduction of the gross debt there of \$33,000,000.00 in 1937?

A. Yes.

Q. And in this statement you have just filed, it shows that the Hydro that year paid off \$24,000,000.00 and you say that was taken up by really transferring that from the gross debt to the indirect debt?

A. This Government did not transfer it. As to how the Hydro got the money—they got it on a guarantee. I think it is rather stating it wrongly to say we transferred it from the gross debt to the indirect debt.

Q. Say, for instance, the indirect debt of 1936, that is \$113,900,000.00—

A. I do not think that was the result.

Q. From 1937 it goes up to 1938?

A. Yes.

HON. MR. CONANT: Where are you reading from?

MR. FROST: Taking it from the Public Accounts.

HON. MR. LEDUC: Page 44.

THE CHAIRMAN: Yes, at the top line.

THE WITNESS: You are talking about the indirect now?

MR. FROST: Q. Yes.

A. That is on page 65, is it not?

Q. I think it is on page 65?

A. Yes, sir. The summary is on page 70.

Q. Oh yes, the summary is on page 70. Well, if you take the comparable figures for 1936, 1937, and 1938, you will find this, in 1936, that the indirect obligations were 113.9 million dollars. I think—I just checked it over a minute ago.

A. Yes.

Q. Yes. In 1937, it went up to 138.3 million, which is an increase of about \$24,000,000.00?

A. Yes.

Q. Now, actually then what has taken place is that this payment of Hydro which you show on Exhibit 8-A is apparently taken up by taking it from what is shown in the gross debt, and transferring it to the indirect debt?

A. Quite correct.

Q. Then, Mr. Walters, I think that is a fair statement on that; that is apparently what has happened, that it does not make any difference to the taxpayers of Ontario at all?

A. Yes, that was discussed yesterday.

Q. I cannot get that quite plainly. It is of great advantage to the taxpayers. I see your point. I see what you are coming at. It is this, that it makes the credit position of the Province of Ontario seemingly better, and you contend you can borrow money more cheaply?

A. It is better. We were discussing a minute ago the debt retirement scheme. This takes the debt away from a body which has not a debt retirement scheme, and puts it in a body which is building a sinking fund.

Q. I see your point, but in looking at the Public Accounts, on page 44, you would think the taxpayer was relieved of about \$33,000,000.00 in debt?

A. Of direct debt, yes.

Q. But actually the same taxpayers would pay the same money, for the reason that the \$24,000,000.00 is transferred to indirect liabilities, and they still have to pay the principal and interest on that?

A. That is not correct, because the Hydro-Electric Power Commission sells its power at cost, and the Hydro-Electric Power Commission pay the interest, and not the taxpayers.

Q. I see; but the point I am coming at is this; take, for instance, the year 1936, your gross debt is \$689,000,000.00. Well, of course, a portion of that is paid by the Hydro users?

A. Yes, sir.

Q. And in 1937, your debt falls to \$656,000,000.00?



A. Yes.

Q. The principal difference there is this, that on the \$656,000,000.00, there is less of interest and principal of that paid by the Hydro users, for the reason that they are paying on the indirect debt?

A. Right.

Q. A direct debt to themselves, and an indirect debt to the Province?

A. Yes.

Q. So that you cannot say on these figures, that you are taking a \$33,000,000.00 debt from the backs of the taxpayers?

A. Oh yes, you did.

MR. BELANGER: Oh yes.

THE WITNESS: I see what you are driving at, Mr. Frost. But that is a correct statement. If I could explain it in this way; you analyze the guaranteed debt of this Province, indirect debt, and you will see tremendous sums there.

I would say that although it is an indirect debt, it is laid on the back of the taxpayers, because these others will never pay it. We are called upon to pay it right along,—

HON. MR. MACAULAY: Q. But in the case of—

A. This obligation is for a self-liquidating project.

Q. But it was self-liquidating before, when it was still outstanding as a gross debt. The Hydro was paying off its obligation—

A. If you will let me finish my answer—

Q. The Hydro can pay its obligations whether they are direct liabilities or indirect liabilities?

A. Yes, but may I conclude my statement about the advantage.

There is another advantage—

MR. FROST: I admit it is—

THE WITNESS: Could I conclude this?

MR. FROST: I admit the advantage.

THE WITNESS: This is the advantage you have not seen. You spoke about the credit; if I may state this further advantage it is not an advantage to the Province, nor the Hydro, to have one tied to the other in financing. It

might be the opinion of this Government that it does not need to borrow money; it might borrow on an overdraft or short term securities, such as treasury bills. The other, being an independent body, —except it must have our guarantees— holds a different opinion, and they want to go in for long term financing. We prefer short terms. One is tied to the other. If they can go their own way, instead of going to the market for \$40,000,000.00 and you will find the market will absorb, say, \$15,000,000.00 and they get a better rate.

MR. FROST: Q. For myself, I agree entirely with the separation of this debt item. I think everyone should be made self-supporting, including highways. But let me ask you this: supposing this; that Hydro borrows \$50,000,000.00 on the guarantee of the Province; they pay the Province \$50,000,000.00; then your gross debt figures, as far as the Province is concerned, show a reduction of \$50,000,000.00; is that right?

A. Yes.

Q. But it is not a true debt reduction. All it is is a question of switching one amount from the gross debt to the indirect debt, and it makes our debt figures look better, whereas it really does not make much difference.

A. It makes a great deal of difference. It makes the picture better, and I will put it this way to answer it—and I do this with great respect,—if the old system were in vogue, and this Government went along and had a surplus of \$100,000.00 or \$1,000,000.00, and had no excess of capital expenditure over capital receipts, and the Hydro launched out on a project to borrow \$40,000,000 and we borrowed \$40,000,000.00 for them, the word would go up and down the country—and I say this with respect—that this Government had increased its gross debt \$40,000,000.00, would it not?

Q. Yes.

A. And that is one thing the Government is wise to get away from—

Q. That is what I am coming at,—

A. Because, Mr. Frost, when your Government goes out to borrow money—do not forget when we sell our debentures here, next month, or within a month or two, you might find them held in the portfolios of the Equitable Life, or the Metropolitan Life, and we have had our own experiences, and the people from whom we tried to borrow the money think of it as only a name on an office—

Q. Then is not the converse true; if we borrow \$40,000,000.00 for Hydro, and charge it to the gross debt, you say it increases our gross debt, and makes it look bad; then is not the converse true; if the Hydro borrows \$40,000,000.00 it makes that picture look better, but it is not a true picture?

A. Yes, if you have to argue one way, you will have to argue the other.

THE CHAIRMAN: Let us get along.

MR. FROST: Just a minute, Mr. Chairman.

THE WITNESS: I am not authorized to make any statement one way or the other, but I will say that has been a great improvement in the Provincial structure of this Province, and I think you will agree with that.

MR. FROST: I will agree with that, but supposing in any one year, you get Temiskaming and Northern Ontario or the Hydro to borrow money on their own, with the Provincial guarantee, and pay it to you, and apply it to the gross debt, you can show a gross debt reduction?

A. Yes, no doubt.

Q. Then would it not be fairer, on page 44, if you added into that your indirect liabilities?

A. No, I don't think so.

Q. The reason I say this is, the Provincial Treasurer himself—I take it—suggested that, in 1935 in his Budget Address?

A. Well, I do not agree with that, and for this reason; with each statement of assets and liabilities we issue a foot note of our indirect liabilities, and it is exhibited there. But when we come to the gross debt, we give the analysis, and when we come to the expense debt, we also give an analysis, and we have a page where the full analysis is given. There is not a financial corporation on the American continent which does not show their figures the same way.

Q. Take those figures on page 44, for 1936; the amount of the gross debt there is \$689,000,000.00. If you add to that, your indirect liabilities of \$113,000,000 that gives you a total of \$803,000,000; now, in 1937, if you add to the \$656,000,000.00 the indirects of \$138,000,000.00 you would get a total of \$794,000,000.00 which only shows a difference of about \$9,000,000.00 between the two.

HON. MR. NIXON: Oh no.

THE WITNESS: It would not make a particle of difference.

MR. FROST: Q. Is not your actual debt reduction \$9,000,000.00 instead of \$33,000,000.00?

A. The actual debt reduction is the reduction of the net debt.

Q. I agree with that, because that is the debt you pay from taxes?

A. Yes.

Q. But taking your gross and indirect figures, your actual debt reduction is really \$9,000,000.00 instead of \$33,000,000.00?

A. I do not think you should complain about this set-up. It is exactly the same set-up that any Province has, or which the Dominion has. When they show the gross debt they give an analysis of it, and the net debt the same. If

they left it out of the book, I would say it was a piece of deception, but it is all in there.

Q. Mr. Walters, I am not disagreeing with that point, but I say this—let me take this picture; if you say as at the 31st of March, 1936, our total debt is \$689,000,000.00, and in 1937, it is \$656,000,000.00, therefore, there is a reduction of \$33,000,000.00, but if I turn around and say, "Mr. Walters, that is taking quite a load off the back of the taxpayers of Ontario," you would be the first man to question it; you would say it was switched?

A. What would you say, if you had been asked about the debt, yourself?

Q. I am referring to the Prime Minister's statement of March, 1937, and I am trying to find some justification of it, but I cannot find it.

A. You are beginning to ask me questions I do not think you want me to answer.

Q. Oh yes, I want your answer. The Prime Minister said this:

"This, Mr. Speaker, is quite a load to take off the back of old man Ontario."

If you can justify that I will admit it in the House this afternoon. If you can show me there is \$33,000,000.00 that is taken from the backs of the taxpayers of Ontario—

A. I do justify it, and agree with it.

Q. No, I agree with the financial set-up, but I certainly do not agree there is any debt reduction, not to the tune of \$33,000,000.00, and, furthermore, I will buy you a new hat if you can show it to me, or if any auditor in this Province can show it.

HON. MR. MACAULAY: Let me try and get you the heading.

HON. MR. CONANT: Q. When we get into these financial comments, and arguments, the ordinary layman is lost.

A. I have great respect for Mr. Frost's views, and I think we agree on that, and I do not want to get into any argument with him. You want me to get into the realm of politics, now.

MR. FROST: No, I am talking sound business—

HON. MR. CONANT: Q. You would not do that, Mr. Frost.

THE WITNESS: You agree with me it was a good thing to do?

MR. FROST: Q. I will agree, Mr. Walters, with this, that the separation of Hydro business from the business of the Province is good business, but I want to ask you to go this far, and agree with me that it is not taking \$33,000,000.00 from the back of the taxpayers in Ontario?



A. Do you want me to disagree with the Prime Minister?

Q. I would like you to do that?

A. Not to-day.

HON. MR. MACAULAY: Q. Now, Mr. Walters, the real debt reduction in the fiscal year ending March 31st, 1937, was how much?

A. The real debt reduction in the fiscal year ended the 31st of March—

HON. MR. CAMPBELL: 1937.

THE WITNESS: No, 1938—

HON. MR. MACAULAY: Q. Yes, 1937.

A. Oh yes, 1937; the real debt reduction in the net debt—

MR. FROST: \$600,000.00.

HON. MR. MACAULAY: It is on page 44.

THE WITNESS: Yes, but there might be a mistake in carrying it forward, and I want to be accurate about this. Even printers have been known to make mistakes. You are referring to the net debt?

HON. MR. MACAULAY: Yes.

THE WITNESS: I am of opinion that the real reduction in the debt is in the net debt, saving and excepting this, that there is a difference of opinion between people in charge of finances, and certain public authorities as to whether a revenue producing asset that cannot be liquidated—

Q. We went into that yesterday.

A. —that that should be taken from the gross debt. Some people argue that the construction of highways should be taken from the gross debt. We do not do that. But assuming we are right in the way we are doing it, the net debt reduction was \$600,000.00 less—

Q. All right; did you have anything to do with preparing the statements, the full page advertisement of May 8th, 1937, which went out throughout all the Province of Ontario? Take a look at it, and refresh your memory.

A. I do not recollect whether I ever saw that. I saw the figures certified by Mr. Brown. Unfortunately he is dead now.

Q. No wonder, after a statement like that. There is no reference to a net debt there (indicating); it is gross debt, and treasury bills, only.

A. I would like anybody to show anything that is not true in that statement.

Q. I will show you what you left out of the statement?

A. I would like anybody to show me anything that is not true.

HON. MR. NIXON: They could not put the whole Public Accounts on one page.

HON. MR. MACAULAY: It is what you left out, that is important.

HON. MR. MACAULAY: Q. Why did you not show the net debt position for the year?

A. I suppose they did not have the figures at that time.

Q. The figures were not so good, because you have shown the net debt was reduced \$600,000.00, and on that statement, that went out through the country, they were claiming a debt reduction of \$33,000,000.00?

A. I do not want to get into any argument, but the figures were so good, that it was the first reduction in net debt in a long time.

Q. Why did you not show it?

A. I do not know.

Q. I will tell you why; because \$600,000.00 is not as big as \$33,000,000.00?

A. Possibly.

Q. That is the type of misrepresentation that is possible, as long as you confine yourselves only to—

HON. MR. CONANT: I think the word “misrepresentation” is not the proper word to use.

THE WITNESS: That is not for me to answer. I have nothing to do with it.

HON. MR. MACAULAY: Q. As an accountant, is it not true that you publish only the gross debt figures, and you do not give a complete picture of the financial state of the Province?

HON. MR. CAMPBELL: He publishes the advertised figures.

HON. MR. MACAULAY: He gets them from the treasurer. It is signed by Mr. Hepburn, as well. I know enough about what goes on; you first give these figures to the auditor, and he then certifies them; is that not right?

A. Yes, they all come from the treasurer.

Q. You give them to the auditor, and all that Mr. Brown did was to sign it, to show that they had checked your figures, and if you had made a mistake, he had corrected it?

A. Do I have to answer for that advertisement? That is not mine.

Q. You certainly do. The treasurer is supposed to sign statements which are authentic.

A. All right, but I do not think I am answerable for that. I submit to the Chairman, I am not answerable for that advertisement.

HON. MR. CAMPBELL: What is wrong with it?

HON. MR. MACAULAY: There is plenty wrong with it.

THE WITNESS: It is a true statement.

MR. FROST: It leads the people to believe that there was a reduction of \$33,000,000.00, whereas it was only about \$600,000.00.

HON. MR. MACAULAY: That is the point exactly. You will agree, if you were issuing a statement to the Legislature on your responsibility as deputy treasurer, or as an auditor—in either capacity—if you were asked by the Legislature to give a financial statement, you would put in the net debt position, and the gross debt position, would you not?

A. That is the only one I am responsible for. I am not responsible for that advertisement, and, with all respect to you, I do not think I should be asked any questions about it, because if I were, there were lots of advertisements which came out which were false, and compared the gross revenue of this Province to the gross expenditures, and with the net.

Q. But here is a statement of an auditor, and the treasurer of the Province.

A. There are two people there to answer; one is the Provincial auditor, and the other is the Provincial treasurer.

Q. I thought the deputy treasurer had to take responsibility for financial statements, on the basis of which the taxpayers are invited to check the financial position of the Province?

A. If you can find a figure wrong in that, I will buy you a new hat.

Q. I am pointing out—

HON. MR. LEDUC: I object to that question. I object to the way it is put.

HON. MR. CAMPBELL: You are not fair with Mr. Walters.

HON. MR. MACAULAY: I generally try to be fair—

THE WITNESS: Mr. Macaulay, I do not think you should say that I misrepresented it.

HON. MR. MACAULAY: I will show that the Treasury Department has misrepresented it.

MR. ELLIOTT: It is not proper for Mr. Macaulay to make a violent inference like that.

HON. MR. MACAULAY: It is not violent. It is very natural.

THE CHAIRMAN: Why not put it this way, that the advertisement is misrepresenting.

MR. CHALLIES: We will all agree to that.

HON. MR. MACAULAY: Q. All I am asking is if you had any actual part in preparing that advertisement, Mr. Walters, and that the advertisement did not show a complete picture of Ontario's finances?

A. I did not have anything to do with preparing it, personally.

Q. But it does not show a complete picture of Ontario finances?

A. Everything there is true—everything that is there is absolutely true.

Q. I did not ask you that—

A. I do not think, Mr. Macaulay, you are fair to me, in asking me to criticize that advertisement.

MR. FROST: Q. Mr. Walters, you would have the net debt figures at the time that advertisement was put in there?

A. I do not know, Mr. Frost, because the net figures are prepared in collaboration with the Provincial auditor, and I do not see these Public Accounts from the time the fiscal year closes until the Provincial auditor comes in and lays a copy on my desk.

Q. If you will look on page 44 of the Public Accounts, of 1938, you will find the gross net figures are \$656,460,348.37, and you will find that the figure at the end of March, 1936, was \$689,558,513.76. Those are the exact figures showed in this advertisement.

HON. MR. LEDUC: Mr. Chairman—

MR. FROST: Just a minute.

MR. FROST: Q. If these figures are available then your net debt figures must be available?

A. No—

HON. MR. LEDUC: Mr. Chairman, I want to point this out, that we are investigating the Public Accounts for 1937, -1938. Does that statement not refer to the Public Accounts of 1936?

MR. FROST: We are taking them out of the Public Accounts of 1938.



HON. MR. LEDUC: No. That is for the purpose of comparison.

HON. MR. MACAULAY: That is all we are doing.

HON. MR. LEDUC: You are discussing an advertisement following the fiscal year, 1936, and 1937.

HON. MR. MACAULAY: Yes, and we are comparing it—

HON. MR. LEDUC: No, you are not comparing them; you are discussing the statement itself.

HON. MR. MACAULAY: I am trying to compare it, and you will not let me.

THE WITNESS: When I am asked questions, which I, as a public servant, should not be asked,—I am here as a public servant, not as a Government servant,—I will candidly answer any question asked of me. That is my duty. I only relate the figures. The treasurer has nothing to hide, but I do not think questions like that should be asked me like this, and I think any question like this should be expunged from the record. I am not here as a political witness, nor am I concerned with the political questions of any party, and I do not propose to give my evidence in that way, and I do not think you should incorporate them in the record. I do not want to differ with my Prime Minister. Every civil servant is loyal to the State, and to the Government under which he is serving; he is no good if he is not.

SEVERAL HON. MEMBERS: Hear, hear.

MR. BELANGER: I do not feel this Committee has been commissioned to investigate into the accuracy of any advertisement, no matter what it is. We are here to investigate the exactness and accuracy of the Public Accounts.

MR. FROST: Might I ask the honourable member (Mr. Bélanger) if he would not like to know the true picture of the debts?

MR. BELANGER: Very good, but you cannot make a speech reflecting on an advertisement in a paper, no matter by whom it was published. For all we know, it might have been published by a ward heeler.

MR. FROST: It is signed by the Prime Minister—

HON. MR. CAMPBELL: Not signed at all.

MR. BELANGER: This is not fair at all.

HON. MR. LEDUC: The advertisement does not deal with the matter under review, here.

THE WITNESS: Mr. Frost, if you were the Provincial treasurer, and I was the comptroller of finances, and you said, "I want a certain statement, and want it in a hurry," you would give your instructions. It does not matter whether you give them to the deputy treasurer, or the accountant's office, or

the office boy. They are all there to carry out instructions, and should not be condemned or criticized. They only do their job.

HON. MR. MACAULAY: Let us get on with the next item.

MR. FROST: Mr. Walters, just one more question before we leave that point. You made a statement with which I agree, and that is this, as I understand you to say, that the true debt picture of the Province is best reflected from the position of the net debt?

A. Yes, sir.

Q. Is it not true that the net debt is the debt we have to pay by means of taxation?

A. That is correct.

Q. And it is true that on page 44 of this year's Public Accounts, that the reduction in the net debt, between 1936 and 1937, is about \$600,000.00?

A. Correct.

Q. And the increase from 1937 to 1938 is something in the neighbourhood of \$33,000,000.00?

A. Yes.

Q. And I suppose it also follows that the net debt of the Province, on October 31st, 1934, was \$358,000,000.00, and now, at the end of 1938, it is about \$438,000,000.00?

A. Correct.

Q. That is the debt you pay from taxation?

A. That is correct.

Q. Which rather indicates we are piling up our taxable debts?

A. Correct.

HON. MR. MACAULAY: Q. Now, I want to get to the other item. You said you would get some information on this, namely, the accounts payable during the fiscal year under review?

A. Yes.

Q. Have you a statement there?

A. That is the totals (handing document to Hon. Mr. Macaulay).

HON. MR. CONANT: Mr. Chairman, in connection with that, in the pro-

ceedings yesterday, Mr. Walters at pages 334 and 345—Mr. Macaulay was referring at the end of the fiscal year:

“—you did not ask the Department of Highways as to what there was outstanding for work due.”

On page 345, Mr. Walters, Mr. Macaulay volunteered this statement—I think it is proper at this time, because evidently you have had an opportunity of going into the figures since yesterday—

A. I just received a copy from the Highways; I have not read it.

Q. Well, perhaps you can deal with it now. At the proceedings yesterday, Mr. Macaulay, at page 344, asked this question:

“Q. At any rate, at the end of the fiscal year, you did not ask the Department of Highways as to what there was outstanding for work due,”

and on page 345, Mr. Macaulay volunteers this statement:

“I am informed that there was \$7,000,000.00 or \$8,000,000.00 of these accounts outstanding at that time.”

Your answer was:

“I am not aware of that, but I am positive that it is not the case now.”

Now, do you know what the actual position was?

A. Yes, I have a statement here.

Q. What are the figures?

A. \$177,590.21, and with each item there is an explanation. I have not seen this at all (indicating). I just opened the envelope now. Miss Tobin brought it in.

Q. When Mr. Macaulay suggested \$7,000,000.00 or \$8,000,000.00, he was rather wide of the mark?

HON. MR. MACAULAY: Wait; I will examine him on that end of it.

THE WITNESS: If he is wide of the mark, it will stand. I do not want to answer whether he is or not.

MR. MACAULAY: You say the actual figure—

A. I have not read this, but there is a total of \$177,000.00 and I asked Mr. R. M. Smith if there were any contractors held over, and he said, “No.” We had a conference about Mr. Martin, of whom I spoke yesterday, and we decided we would not put ourselves under any obligation to any contractor, and the bill was paid.

There is one item here—oh, with respect to this \$177,000.00, I would like to say this; that against that there was the sum of \$434,000.00 owing to us, which we did not take in as accounts receivable, or as an offset, and this comes from the Dominion Government.

The reason we did not take it in was this; you never know—you may have to wait for years, or wait for ever for the Dominion to send us the money. We did not know when we would get it, and we would take it in if, as, and when we got it, but fortunately we got it in shortly after that.

HON. MR. MACAULAY: Q. Let us start at the beginning. First of all, we start with an item on page 7, of the Public Accounts, half way down, under the heading, "Income Liabilities." There is a statement marked "Accounts payable \$1,097,575.40"?

A. Yes.

Q. I asked you if that statement shows a breakdown of that amount, and this (indicating) is what you have supplied me?

A. Yes.

HON. MR. MACAULAY: Will this be Exhibit No. 9?

THE CHAIRMAN: Yes, Exhibit No. 9.

Whereupon the following document was offered and admitted in evidence, as Exhibit No. 9, and is in words and figures as follows, to wit:

Summary of Amounts Payable by Departments  
as at March 31st, 1938

Department, particulars	Amount
Health, sundry.....\$	200.00
Labour, sundry.....	455.69
Lands and Forests Timber Sales' Deposits, Forest Ranging, etc.....	1,062,070.24
Mines, sundry.....	11.93
Secretary—	
Reformatories and Prisons, Interdepartmental Account..	23,788.03
Treasury—	
Controller of Revenue, Refund of Overpayment, Succes- sion Duty, etc.....	11,049.52
Total Amounts Payable.....	\$1,097,575.41

PROVINCE OF ONTARIO

Department of Lands and Forests

Accounts Payable as at March 31, 1938

Accounts Payable—	
Deposit on Timber Sales.....	\$2,092,406.74
Sundries.....	643.80
	<hr/>
	\$2,093,050.54



*Less*—Accounts Receivable—

Land Taxes..... \$403,299.74

Timber Dues..... 627,680.56

\$1,030,980.30

Accounts Payable March 31, 1938.....\$1,062,070.24

THE WITNESS: And there is a letter of the Highway Department.

HON. MR. MACAULAY: My question is this; does that show any accounts outstanding in the Highway Department?

A. It does not.

Q. Now, you have made inquiries from the Highway Department, and do you find there are any accounts outstanding?

A. Yes, there are.

Q. May we have that statement?

A. Yes, sir.

HON. MR. CONANT: What are we talking about?

HON. MR. MACAULAY: The fiscal year under review.

HON. MR. CONANT: 1938?

HON. MR. MACAULAY: Yes. Now, Exhibit No. 10 is a statement of R. M. Smith, Deputy Minister of Highways, to Mr. C. S. Walters, Comptroller of Finances, dated April 24th, 1939, with a three-page memoranda attached, showing the contractors, and the amounts due on these contracts, under the various headings.

THE CHAIRMAN: Yes, that will be Exhibit No. 10.

Whereupon the following documents were offered and admitted in evidence, and marked Exhibit No. 10, and are in words and figures as follows, to wit:

"Memorandum to C. S. WALTERS, ESQ.,  
Controller of Finances:

"Replying to your inquiry as to the reason why certain contracts of the 1937-38 fiscal year were carried into 1938-1939 fiscal year, I am attaching herewith, for your information, a list of the contracts and the amount in each instance. The total, as you will note, is the sum of \$177,590.21.

"Yours truly,

"(Signed) R. M. SMITH,  
"Deputy Minister of Highways."

## Contract Numbers:

37-220 Harvey & Irwine, Eganville to Dacre, Grading..... \$2,849.20  
Work not finished or trimmed.

32-277 Constructing and Paving Company, Ltd., Heenan Highway, Kenora District, Southerly..... 4,038.69

Work not finished or trimmed. Contract kept open.

37-26 Holdcroft Construction Company, Verona to Godfrey... 3,519.00

Work not entirely finished. Amounts held to cover trimming and possible accounts.

37-41 Frontenac Construction Company, Ltd., Foots Bay to Glen Orchard, Foots Bay to Parry Sound..... \$9,591.06

Department wished to close down work in Fall. Contractor asked to be permitted to carry on because of the labour situation in this area. He stopped at the end of February, but the work could not be measured up until after the snow had melted.

37-56 Standard Paving Company, Limited, Peterborough Bridge East, Concrete Pavement..... \$867.51

Amount withheld to contractor as certain trimming had not been done.

37-63 Routley Construction Company, Bituminous Penetration, Glenvale to Murvale..... \$3,808.00  
4,379.20  
3,808.00

Payment on this contract were held up as the final seal coat had not been applied and the surface of the road was badly ravelled.

37-125 Ontario Construction Company, Cameron Bay Bridge, Kenora..... \$1,853.51  
2,854.30

Payment was held because of certain necessary work in connection with cleaning and finishing about the structure.

37-189 J. S. Dempsey, Eganville West, Gravelling ..... \$3,605.46  
1,557.83

Payment was held on this contract because of question as to claims contractor was making in connection with length of haul.

37-262 Roadbuilders Limited, Grading, and Culverts, Griffith to Dacre, Dacre to Shamrock..... \$3,012.65

Payment on this was held until such time as the grade could be trimmed in spring.

## Exhibit No. 10—Continued

## Contract Numbers:

36-91	Campbell Construction Company, Limited, Millbridge to Bancroft.....	\$2,635.00
		7,187.97
		5,292.47
		8,508.65
		5,480.80

This work was carried on by the contractor largely at the request of the Department to take care of the great number of unemployed in the area.

Also the contractor was anxious to complete certain structures within his contract where the work could only be satisfactorily undertaken under frozen conditions. Payment was delayed until final survey could be made in the spring.

36-118	Quinte Construction Company, Bala North.....	\$3,036.88
		3,144.32
		2,992.00

The contractor asked to be allowed to continue work throughout the winter and as the labour situation in this particular area was bad, the contractor was permitted to go ahead. Final measurements on the contract were made in the spring.

36-119	Hadley McHaffie Construction Company, Point-au-Baril to Britt.....	\$4,765.03
		3,791.17

The contractor asked to be permitted to go ahead as certain work within his contract could be done as readily in the winter as in the summer. The labour situation being bad in the area the Department consented to the work being undertaken.

37-87	Tomlinson Construction Company, Limited, Nipigon to Geraldton.....	\$3,354.30
		3,819.20
		1,612.16

The contractor, in this instance, was instructed to close down November 15th. Considerable pressure was brought upon the Department to continue the work for a limited time because of the labour situation. The contractor continued until January and payment was delayed as it was difficult to obtain accurate estimates until spring.

37-88	Long Lac Construction Company Shebandowan Road...	\$7,197.14
		5,311.65
		3,197.70

The Province in this case, asked the contractor to carry on because of the labour situation in Fort William and Port Arthur. While progress estimates were returned, payments were delayed until the spring when accurate measurements could be made.

## Exhibit No. 10—Continued

## Contract Numbers:

37-223 McNamara Construction Company, Matheson to Shillington.....	\$411.03 411.03
--------------------------------------------------------------------	--------------------

These small accounts were held at the request of the contractor to keep the contract open.

37-267 John Maguire Contracting Company, Tyrante Mines to Houston Lake.....	\$6,876.72
-----------------------------------------------------------------------------	------------

In this case the contractor was anxious to remove his plant from the area he crushed and stock piled gravel to the amount mentioned above. The contractor was advised that the materials would not be paid for until such time as required.

37-90 R. H. Bond, Nestor Falls South.....	\$48,767.76
-------------------------------------------	-------------

In this case, the contractor approached the Department in the Fall of 1937 asking that he be allowed to carry on his rock-work throughout the winter of 1938. Approval was given because of the labour situation at Kenora and Fort Frances. Originally, the contractor had agreed that he would be willing, if he were allowed to proceed, to finance himself until spring. Instructions were later issued by the Treasury Department that all accounts would be cleared. Unfortunately, however, March estimates indicated that the contractor had overrun the approved amount of the contract, and, as a consequence, an order would be required covering the overrun before payment could be made. In the process of obtaining approval, some considerable time elapsed with the consequence that the payment (which ordinarily would have been made in March) did not go through until the new fiscal year.

Now these total \$177,590.21?

A. Yes, sir, and the bills were not received by the Audit Department for the reasons given there, and could not be incorporated in the Public Accounts.

Q. The reasons are given in each item why they adopted this practice?

A. Yes, sir.

Q. In all of these accounts, then, while the fiscal year had ended on March 31st, 1938, there were outstanding progress certificates for these amounts which had not been paid; is that true?

A. Mr. Macaulay, I just got the letter, and I have not read it, and I cannot answer that, without reading each item. I suppose there must be 40 or 50 small items.

Q. I suggest you ask Mr. Smith to come over, and he can explain his own statements?



A. Yes.

MR. STRACHAN: Do you want him now?

HON. MR. MACAULAY: Yes.

HON. MR. MACAULAY: Q. How are the medical relief accounts handled? That is to say, those who are on the relief rolls in the various municipalities are attended by the doctors of this Province; how is that handled?

A. We get bills through the Department of Welfare, and the amounts are paid to each municipality, for the Medical Association.

Q. So that the doctors in the various municipalities receive their cheques from—

A. The municipalities—

Q. No, a doctor, say, in the City of Toronto, would receive his cheque, from the Medical Association or from the City?

A. From the Medical Association, I think.

Q. To whom do you pay your money?

A. I think it goes to the City of Toronto. It is included in the same requisition. I cannot tell you. It is always at the bottom. It may go separately to the Medical Association, or it may go to the City. I understand it goes to the Medical Association.

Q. The doctors in my riding are complaining that they have not been paid for their January bills yet. Who is to blame for that?

A. We are not. We are begging these people to send them in. We pay them out, as soon as they are checked. We issue the cheques at the same time.

Q. If a doctor sends in a bill at the end of January, for medical attendance, for those on relief, he sends the bill in to whom?

A. To the municipality, and it is checked there.

Q. Then the municipality sends it to the Public Welfare Department?

A. Yes.

Q. And it is checked there, too?

A. Yes.

Q. And you get a requisition from the Public Welfare Department?

A. Yes, sir. Last year they were very slow getting them in, and we had to telephone and put through estimate bills amounting to nearly \$1,000,000.00.

HON. MR. MACAULAY: Q. Then, turning to the fiscal year under review, if the doctors are four months behind getting their medical bills paid, at the close of your fiscal year at the end of March, you might have three or four months' medical bills outstanding?

A. No, sir.

Q. Why not?

A. Because everything was settled up by the 20th of April. If there were any at all outstanding, it would be from a very few small municipalities, and even then we put through an estimated figure.

Q. And the estimated figure—

A. I could show you by getting a voucher, showing the date on which they were paid, that such a thing as being two or three or four months behind—that there was not such a case.

Q. I would like to know what you put through for estimated accounts before you closed your fiscal year?

A. Well, I will get that for you.

Q. Because if it is true that some municipalities are three months behind in paying their medical bills, you have a substantial sum there?

A. It is not the fault of the Treasury Department here. We have sent out telegrams to people and even sent them telegrams, to the municipalities, to apply for their Provincial subsidy.

Q. You pay the Medical Association so much per person per month?

A. Yes.

Q. What is that amount?

A. I think it is thirty-five cents.

Q. Thirty-five cents per person per month?

A. Yes.

Q. What is the present fiscal year?

MR. BROWN: It is purely a welfare matter; I have not the slightest idea.

HON. MR. MACAULAY: Q. I would like to see the accounts for March to see how you closed your books?

A. I will be glad to get that.

Q. While we are waiting for Mr. Smith—

A. You want to see my bills—you want to see all the bills paid—

Q. For the month of March.

HON. MR. NIXON: What is the difference, as a matter of policy? I thought you were referring to the month just closed?

HON. MR. MACAULAY: No.

THE WITNESS: I can bring you all the forms and any voucher for that matter.

Q. Oh, no.

A. Would you give me a list of any ones that are complaining, and I would get them out right away?

Q. I am discussing these large suburban districts around Toronto, and the suburban townships?

A. I will send up now and get the vouchers. You want March of 1938?

Q. Yes.

A. For the Yorks?

Q. Yes, and the City of Toronto.

A. Yes; for the month of March, 1938?

Q. Yes. Then, yesterday I asked you to bring down a statement showing the revenue for the month of March, 1938.

A. Yes, I have it here (producing). There is the ordinary revenue, and separated by departments, and there is the capital.

THE CHAIRMAN: That will be Exhibit eleven and eleven (a).

HON. MR. MACAULAY: Exhibit eleven is the Ordinary Revenue for the month of March, 1938, and Exhibit eleven (a) is the Capital Receipts for the month of March, 1938.

Whereupon the following statement was offered and admitted in evidence as Exhibit No. 11, and is in words and figures as follows, to wit:

## PROVINCE OF ONTARIO

## Ordinary Revenue for month of March, 1938

Department	Detail	Gross Ordinary Revenue
Agriculture.....	\$	35,447.02
Attorney-General.....		167,410.21
Education.....		8,773.76
Game and Fisheries.....		60,288.53
Health—		
Main Office.....	\$ 6,126.13	
Hospitals Branch.....	385,053.88	391,180.01
Highways—		
Main Office.....	42,111.92	
Gas Tax.....	622,932.34	
Permits, Gas Pumps.....	12,349.43	
Motor Vehicles Branch.....	705,105.64	1,382,499.33
Insurance.....		8,672.92
Labour.....		22,008.11
Lands and Forests—		
Lands Branch.....	22,748.48	
Forests Branch.....	90,719.29	113,467.77
Legislature.....		6,287.08
Mines.....		56,342.75
Municipal Affairs—		
Main Office.....	100.30	
Municipal Board.....	546.27	
Housing Branch.....	4,536.08	5,182.65
Prime Minister.....		1,076.75
Provincial Secretary—		
Main Office and Registrar General's.....	35,208.06	
Reformatories and Prisons Branch.....	162,083.85	197,291.91
Provincial Treasurer—		
Main Office -Miscellaneous.....		81.11
Liquor Control Board.....	975,000.00	
Controller of Revenue—		
Succession Duty Branch.....	3,109,066.14	
Corporations Tax.....	61,265.34	
Income Tax.....	217,219.35	
Stock Transfer Tax.....	81,030.66	
Land Transfer Tax.....	17,521.14	
Law Stamps.....	48,943.60	
Miscellaneous.....	2.10	
Motion Picture Censorship.....	11,172.32	
Savings Office.....	152,769.10	4,673,908.64



## Exhibit No. 11—Continued

Public Works.....	\$ 4,049.76
Public Welfare.....	132.45
Public Debt—Interest.....	3,830,603.81
	<u>\$10,954,904.73</u>

Whereupon the following statement was offered and admitted in evidence as Exhibit No. 11-A, and is in words and figures as follows, to wit:

## PROVINCE OF ONTARIO

## Capital Receipts for month of March, 1938.

Department	Detail	Gross Capital Receipts
Agriculture.....	\$	4,306.68
Attorney-General.....		.....
Education.....		.....
Game and Fisheries.....		.....
Health.....		.....
Highways—		
Main Office.....		41,257.30
Insurance.....		.....
Labour.....		.....
Lands and Forests—		
Lands Branch.....	\$4,658.63	
Forests Branch.....	326.90	4,985.53
Legislation.....		.....
Mines.....		3,149.44
Municipal Affairs—		
Housing Branch.....		69,270.93
Prime Minister.....		843,370.19
Provincial Secretary.....		.....
Provincial Treasurer—		
Main Office.....		356,103.20
Public Welfare.....		2,431,004.75
Public Works.....		.....
		<u>\$3,753,448.02</u>

HON. MR. MACAULAY: Q. This would include any revenue received during the course of April; you kept the books open?

A. Yes, any inter-departmental or any from the Dominion Government. Normally, the collection of revenue ceases on the night of March 31st, except that any cheques coming in—

Q. Take the motor license revenue. It was practically all in by March 31st of this year. That is then credited to that year at the close of that day, is it?

A. Well, excepting what is in the hands of agents and has been collected.

Q. I am talking about the license fees now. They aggregate six or seven millions a year?

A. Eight million.

Q. And what percentage of that is usually paid by March 31st?

A. Well, I have not seen the figures this year to analyze them, but I know the situation is different this year from last year. In 1938, if you will recall—in 1938, the new markers—and they ran up to the 31st of December.

Q. Take this year; any money received by March 31st was credited to that last fiscal year?

A. Yes, but I have not seen the figures.

Q. So that the revenue you are getting for the year in advance and which they pay by fees, has all been credited to the fiscal year just closed?

A. Yes.

Q. So that you have no revenue from license fees for this present fiscal year except such as is prepaid for the next year?

A. Anything that has been paid up to the end of March, and anything in the hands of the agents for last year—

Q. Supposing you received five millions for motor licenses for the fiscal year that is ahead of us, why should you not take that money and keep it out of last year's figures and put it in the succeeding year's figures, because a man who has bought his license in March or April—in March or February—he is paying his license fee for the year from the first of April on. Why do you not carry that forward as a revenue for that year?

A. It is like a pre-paid insurance?

Q. Yes.

A. I see your point. I have no authority in saying this, but I doubt the wisdom of having the period end for the fiscal year the same as it did last year. In theory it is supposed to be fine, but everybody leaves it till the last day, and it is physically impossible to get the money in. As I say, I do not speak with any authority, and I have not discussed this with anybody, but I certainly hope that the Government will go back to the old system of December 31st.

HON. MR. NIXON: Q. And make it the calendar year?

A. And make it the calendar year, because there is always somebody late for the train.

HON. MR. MACAULAY: Q. In that case you would get all the money?

A. Yes.

Q. You want to take one hundred per cent of it, and you are kicking because you only get eighty per cent? I say, on true accounting principles, you should not have taken any of that money into last year's figures?

A. I say this, that had we done that right from the start, and had followed that system, that would have been all right, and as a matter of fact, last year we would have got a bigger sum because the five dollar reduction would not have come in.

Q. Mr. Nixon asked what was done by previous governments, where the fiscal year ended on October 31st, and they paid in December, well into the fiscal year that followed, and so it went into that year's receipts?

A. The same principle obtained. I think one year they extended the time for paying their fees into May or June.

Q. I think it was about the 1st of May.

A. There is a lot of merit in your argument.

MR. STRACHAN: Mr. Smith is here.

HON. MR. MACAULAY: Q. That would leave us one year without a dollar of motor license revenue if we adopted that now?

A. Oh, yes.

Q. You have to catch up sometime if you are taking it a year ahead. I notice in the financial statements of companies where insurance premiums have been paid ahead, and even organization expenses, that they have a figure charged to revenue that they put in as an asset; is that not true?

A. Yes.

Q. You have no such provision in your balance sheet?

A. No, and never have had.

Q. Is that not another footnote you might put on your next statement?

A. No, because I think it is the same; it is uniform with all provinces. You take the gasoline tax—if I might just explain—the gasoline tax, for example, we only get paid up to the middle of the month of March, and now there is outstanding about \$750,000 estimated—and it might be more than that because there was a tremendous rush the last few days—that was collected by our

bonded agents and was the property of this Government, but we did not take that in as revenue, although on a strict and cruel basis we would be entitled to take it in. On the other hand, all of our refunds for gasoline tax claims would be paid up to the 31st of March, and charged to last year, so we are working against ourselves in that respect.

Q. Now, Mr. Smith is here, and maybe you would just stand aside, Mr. Walters.

ROBERT M. SMITH, a witness being called and duly sworn, testifies as follows:

HON. MR. MACAULAY: Q. Mr. Smith, I was examining Mr. Walters on an exhibit that was filed, of amounts payable by departments as at March 31st, 1938, and it is Exhibit nine of the proceedings, and in it there were no obligations shown outstanding for the Highways Department, and yesterday I asked him if there was any, and he said that he would inquire from you, and he has now filed a statement; this morning he has filed a statement, which is marked Exhibit ten, and it is accompanied by your memorandum to Mr. Walters, dated April 24th, 1939, and it is as follows:

"Memorandum of C. S. Walters, Esq.,  
Controller of Finances:

"Replying to your inquiry as to the reason why certain contracts of the 1937-38 fiscal year were carried into 1938-39 fiscal year, I am attaching herewith for your information a list of the contracts and the amount in each instance. The total, as you will note, is the sum of \$177,590.21"

Q. You have a copy of that before you?

A. Yes.

Q. No information of these items was given to the Treasurer at the close of that fiscal year; is that right?

A. Well, there is always an amount left in every contract to carry into the following year. It is a rare thing that a contract is actually completed without some amount being held to cover unpaid accounts for certain work that is necessary in connection with it.

Q. Do these accounts represent, these three pages, do these represent contract work done on which progress certificates had been issued during that winter?

A. In each case the amount of work done following the closing down of the work in November are represented by the extensions. The work year ought to have been closed down on November 15th, and a number of these contractors had little jobs that they wanted to do, and in some instances we wanted them to do it, and these are the sums that were expended following that time.

Q. And were progress certificates given during the winter to take them over until the end of the fiscal year, or what?



A. Well, in most instances the contractors asked that we would report an approximate estimate for the work that they had performed for the various months. For instance, you will notice that some of them only had work possibly for a month. Take the first one, Harvey & Irwine, in that case they did a small amount of work I would think around December, and up to possibly the 1st of January, and then they quit, and it was very difficult to figure it, and it was measured up, and we just simply carried the amount, and they were satisfied that we would carry the amount.

Q. Was there any in a different category where the work went on all winter and nothing was paid on it?

A. The last one for the last year is the principal one that comes under that.

Q. R. H. Bond, Nestor Falls South, that is the last one on page three. What does that represent?

A. Bond was a contractor at Nestor Falls South, and was anxious to carry on throughout the winter, and came to us and offered to carry on, and paying the men, and assuming any cost himself until early spring. Altogether, throughout the winter there was forty-eight thousand dollars spent.

Q. And when was it paid?

A. It was paid as a matter of fact in June. The reason that it was delayed—we had instructions to pay these accounts—in every instance all the large accounts were taken care of, and this one would have been taken care of as well, but as I have noted in that memorandum, you will see that when the March returns were made from the engineer at Fort Francis, he had over-run his approved amount, and directly they are over-run, you will not doubt remember we require an explanation, and a further amount has to be put through to get the added funds to complete the work, and in this case we wrote to Lowrie and there was considerable delay till he got in all his figures, and as a matter of fact, he was not paid until about the 15th of June.

Q. Were there any large contracts comparable in size to that of Bond's, on which they were working all winter, and which there was no amount paid?

A. No, all the large amounts were paid.

Q. They were all paid, and they would be charged up to that fiscal year?

A. Yes.

Q. Were there any large jobs going on in which the contractor himself carried the liability and in which no estimates or payments had been made other than is shown in your memorandum?

A. No, that is everything that is included in the memorandum. As I say, this one would have been paid had those returns been correct.

MR. WALTERS: I might say these items were capital and not ordinary.

HON. MR. MACAULAY: If you have the money you pay them out of ordinary, and if not—

MR. WALTERS: No, those are purely capital constructions.

HON. MR. MACAULAY: Were you not paying any of it out of ordinary account?

MR. WALTERS: No.

HON. MR. MACAULAY: It is all charged to debt?

A. Yes.

MR. WALTERS: As a matter of fact, Mr. Macaulay, I think I went over, and I think I made them take something like a million dollars out of capital charge and charge it to ordinary, because I did not think it was correct accounting, what they had been doing—they had been charging to capital account that which I thought was ordinary account.

HON. MR. MACAULAY: What was that item?

MR. WALTERS: It was resurfacing and stuff like that, and it was about a million dollars.

THE WITNESS: I might add that in gravelling, where the grade had been figured, the question arose as to whether we had built a gravel road or not.

HON. MR. MACAULAY: Q. Or whether it was still a basis for another kind of a road?

A. Yes, that is exactly it, and we had charged some of that to capital, and the question came up as to which way it should be charged, and it was finally decided that it should be placed in ordinary expenditures, and concerned more with maintenance, but I do not agree with them yet as far as that is concerned, but that is a matter of opinion.

Q. When you get an immovable object and an irresistible force, what do you do then?

HON. MR. NIXON: Probably you got a bad training in the old days as to what should be charged to capital. Did not Mr. Macaulay make a speech one time in which he said that half an inch of gravel on the road should be a capital expenditure?

A. I do not remember the speech.

HON. MR. NIXON: I think I remember that.

HON. MR. MACAULAY: Well, you have a good memory. That is all, Mr. Smith.

CHESTER S. WALTERS, a witness previously heard and now recalled, who having been already sworn, continues his testimony as follows:

HON. MR. MACAULAY: Q. Mr. Walters, you were filing an exhibit of ordinary revenue for the month of March. Coming down to the main items, there was the Department of Health, \$391,000 in that month. How much did they collect during the year?

A. I think it is over a million dollars, but a lot of fees are due at that time.

Q. What does that chiefly consist of?

A. Oh, I have not—it might be board for patients who were being maintained there.

Q. You gather in all the accounts you can for patients each month?

A. Yes, we do.

Q. Well then, I see in the Motor Vehicles Branch, under just the Motor Vehicles Branch,—I suppose that is permits—you have \$705,000. That would be just an average month's collection?

A. That was nearly all P.C.V. licenses. The rest was nearly all practically in.

Q. That would be an average month's collection, but when you get to succession duties, you really start to get places, is that so?

A. We turn on the heat.

Q. You really turn on the heat in March?

A. Just like a hockey game.

Q. The power play starts in March for the succession duties?

A. No, it starts all during the year, but if you will recall, there was some special legislation—

HON. MR. CONANT: Q. In December?

A. In December, and from that time on I think we collected about eight or nine million dollars.

HON. MR. MACAULAY: Q. I see in March you collected three million dollars that year. What was the total collection for the year?

A. Twenty million dollars.

Q. Twenty million dollars for the year in succession duties and in March you got three million dollars, or fifteen per cent of it?

A. You will remember that we were stymied there until they had a special Session.

HON. MR. CONANT: Stymied would not be a good word; it is a golf term.

A. I do not use it in that sense. I meant to say, we were blocked.

HON. MR. MACAULAY: Q. Is that an average collection for March in the average fiscal year—about three million dollars?

A. Well, no, it is not an average; that is a big collection.

Q. How does that compare with March of this year?

A. Well, I could not tell you that, but I think we probably did as well.

Q. You think you did as well in March of this year?

A. When I came back from Australia I had to do some collecting here.

Q. The same consideration comes up with respect to motor license fees. There might be some on which that could be postponed that are due within six months?

A. No, not that I am aware of.

Q. And that there would be a substantial amount of it paid within the six months period?

A. Not that I recall.

Q. In March, 1938?

A. March, 1938—I would not like to say without looking up the records.

Q. What about March, 1939?

A. I would want to consult the records there.

Q. We will have to get that next year.

THE CHAIRMAN: I think so.

HON. MR. MACAULAY: Q. Public debt and interest—\$3,830,000. Can you break that down?

A. That is from the Hydro-Electric share.

Q. You cleaned up the year's interest operations with them?

A. Yes.

HON. MR. NIXON: Q. They never change their fiscal year?



A. No, sir.

HON. MR. MACAULAY: Q. What is their fiscal year—October 31st?

A. October or November.

MR. BROWN: October 31st.

THE WITNESS: It might surprise you to know that we issued a lot of refunds on succession duties in that month, too. We issued 1355 refunds for succession duties for that fiscal year; over five hundred thousand dollars was cheerfully refunded to estates.

HON. MR. MACAULAY: Q. For the whole fiscal year?

A. Yes.

Q. How much for the month of March?

A. I think about three hundred thousand dollars.

MR. FROST: Q. Do you sometimes take a deposit from them in cash?

A. Yes, very often they overpay.

Q. But say, to get a release, you can give them a bond for ten thousand dollars, and give them five thousand dollars cash, and when the duty is settled at say three thousand dollars, you give them two thousand dollars back; is that not so?

A. Yes, with interest.

Q. But that five hundred thousand dollars is not as generous as it looks, because you are only paying them back money that they put down as a deposit?

A. No, not always. In many cases they make mistakes and overpay.

HON. MR. MACAULAY: Q. Is it not an indication that you are weakening in view of the amendment a year or two ago whereby you now exempt for succession duty purposes any gifts to a family; is that not going to have the effect of cutting down considerably the succession duties available in future years?

A. Yes, I think so. I might say that the other day there was a very prominent lawyer who was complaining to us in this regard, and came in and complained about this iniquitous Succession Duty Act, and so he showed me the two Acts, what he called the 1934 Act and 1937 Act, and he said that one of his clients was over eighty years of age, and he thought this was a terrible thing, and I said, "All right, under which act would your client prefer to be taxed, the 1934 or the 1937," and he said, "Oh, the 1934."

HON. MR. NIXON: Q. What?

A. The 1934 Act because our Act is more generous than it used to be.

Q. If he would rather be taxed under the 1934—

A. Under the 1934 than under the 1937. Our succession duty taxes are lower than they used to be.

Q. Why did he not prefer to be taxed under the 1937 Act?

A. I say the 1934 is lower; he wants to pay the lesser tax.

MR. FROST: Q. You increased the tax in 1937?

A. No, we reduced the tax.

HON. MR. CONANT: Q. Does he want to die with the 1937 Act?

A. He does not want to die at all—you are correct—that will seriously affect the treasury.

HON. MR. MACAULAY: Q. You are very zealous in collecting on all gifts up to the dead line in 1937, which gave them carte blanche to give away what they like from then on?

A. Yes.

Q. Would you mind telling me why that principle was adopted by the Treasury?

A. It was adopted by the Parliament and not by the Treasury.

Q. You do not want to take any responsibility for it?

A. Well, I will say it was a sound economic measure.

MR. FROST: Q. Why go after the fellows before 1937 and after 1937 let them off lightly; where is the soundness of that?

A. Because that was the law.

HON. MR. MACAULAY: Q. You think there always should have been exemptions in cases similar to that you now have?

A. No.

MR. ELLIOTT: You are asking this witness to criticize the legislation.

THE WITNESS: I could give you many reasons, but I will give you two reasons, if I may, as to why it is a sound measure.

HON. MR. MACAULAY: Q. You are talking now about the ten-year exemption for succession duty or the exemption of gifts that are ten years old?

A. Yes, it is distasteful to this Government—to the treasury officials to

have to go back—they are only doing their job—but that condition should not continue forever. Let us take the case of a man—

Q. Just before you leave that, can you give us an estimate of what you think can be collected in the future from these gifts heretofore made under the old law?

A. The only estimate we can make would be on the basis of the number of estates—the aggregate value of the estates we have examined, and those we have not examined, and of course, when you go through an orchard you pick the biggest peaches first, and I think we have picked the biggest peaches, although I think we have some nice ones waiting for this year, but I think probably about twenty-five to thirty million dollars.

MR. FROST: Q. You think seventy was a slight exaggeration?

A. No, it might have been a generous estimate, but it was not an exaggeration. It might be realized.

HON. MR. MACAULAY: Q. Assuming that you are still generous, and that the collections are very much reduced, and on top of that the people that die from now on are exempt with their gifts that are ten years old, succession duties may drop drastically in the next few years, may they not?

A. Well, they might, but people never know when they will die. The old must die, but the young do die, and some of the most productive estates that have fructified the treasury have been very young men—Sir John Eaton, and Mr. Frank Bailey, very wealthy men who died when they were young men.

Q. Before they have made any anticipated distribution?

A. Yes. If you would like my view as to why a thing like this is justified—

Q. Yes.

A. In the first place, I submit that a community that has ten men with one hundred thousand dollars each is better off than a community with only one man with a million dollars, because instead of one man you have ten men to spend, to save, to invest, to build up the state. That was always my view when I was at Ottawa as Commissioner of Income Tax. I never put anything in the way of any person who came before us and said, I want to distribute so much to my son, or this son, and so on; then I will say that in the case of a man who is, say, sixty years of age, and say this man has three sons. Now, I have given this a lot of thought, and I think I am sound in this: this man has three sons; he has in contemplation the fact that perhaps he will die or retire when he is seventy years of age, and he begins to order his affairs. Now then, he has the thought that he has three sons that he wants to bring up,—and I know many cases like this—in the business, and instead of keeping these men snooping around and waiting for their old man to croak, he said, boys, I am going to give each a quarter interest in this business, so now A, B, and C each own a quarter interest in that business, and I own it, and you are now financially responsible, and I am going to give you executive responsibility, too, and in the result that supposing

that that man in the natural order, when he comes to seventy years of age, and he snuffs out, these boys have had the management and the control of that business and they are schooled under the eyes of their father, and instead of this business being handed over to a trust company and busted all to the dickens, they have three men who have grown up still under the restraining hand of a father, and the father has been able to do that with the consent of the state, and I submit that that is a splendid thing, and I know of cases, and I have had people come in and ask me about this, and I have advised them to do it, and I said, the state changed this, and now you are permitted to do lawfully what your friends used to do unlawfully. That was my main consideration.

HON. MR. MACAULAY: Q. And of course, that will cut down the anticipated receipts from succession duties, will it not?

A. I do not think it will, because these men—you will have four men to go on and build up the state, and they will make more revenue and produce in other ways, and furthermore, the state will be protected, in that instead of collecting capital it will be collecting income, and I think it is very sound.

MR. FROST: I think you are wrong—my recollection was that the Legislature passed the Act here to clarify the law and to declare the law always was that gifts made back to 1892 were taxable, but that the law was not clear on the point until the Province passed the law and set up a case, and to make it retroactive to 1892, or am I wrong in that?

A. Well, there was a lot of discussion about that—

Q. You said it was the law that you should go back to 1892. My understanding of it was that it was not the law, and it was felt so much that it was not the law that the Declaratory Act was passed?

A. There were certain things that The Declaratory Act had to clear up, but when I say it is the law, I say most of these evasions that we find—of course, there are many innocent cases, and many have come up and said, now that I understand, I want to make a disclosure, and there are a great many of them, and many people have given wrong values, saying a fifty dollar share when it is worth five hundred dollars.

Q. You talked about the effect on business and the soundness of a man making provision years before—I agree with that—but I often wonder as to whether going back and opening up estates and all the rest of it, that have been closed for years—as to whether the effect on business generally and the resulting unemployment that arises from business conditions, is not a lot worse than—

A. I can tell you of estates that were wrecked under the former. I can give you names and I will illustrate—here is the way the law used to be—here is a man, and the name I have in mind is a household word; here is a man who lived in the City of Toronto, and was a public benefactor, and for years and years it was his custom to help this project and this worthy project, and so that during his life time he had given away sums running into millions of dollars, and when he died it was found, because of some claims that other bodies had



against him—the income tax operated at Ottawa, of which he was not aware, and his family were left with a very small amount of money, comparatively small, to what he had given away. Now, the effect of the old Act was that all his gifts to charity, while exempt in themselves, had to be added to the assets that he left on his death, and went up to an aggregate portion that was unconscionable and beyond what was ever contemplated, and that condition is remedied now.

Q. Are you still using that old unfair law to collect from these people?

A. We must because it is the law.

Q. If we can pass an Act that is retroactive—surely we can pass an Act to make it fairer in that regard.

A. I think it is capable of working a great hardship. Say a man had four million dollars, and he said, Now, I have only one son; I do not want that son to have a lot of money; I have lived to be, say, sixty or seventy or eighty years of age, and I made my money, and it is not good for that boy to get four million dollars. I am going to give away three million dollars to the University of Toronto or the University of Ottawa or McMaster, and so on, and leave the rest of the money to this young bird who has never done a day's work, and it is not good for him, and if he did not contemplate the effect of that old Act, he would have to pay on the millionaire rate; it would be about thirty-five per cent.

HON. MR. MACAULAY: Q. Of course, there are not many cases like that?

A. No, there are not many cases, but when they do, they hit hard.

Q. How many do you run into?

A. Well, I ran into one outstanding one, and the fact is I heard in the Hamilton Club how disgracefully we had treated this family, and I sent for them, and they said, "We did not complain; we want to pay, if that is the law."

Q. In this year under review, the total succession duty collected was twenty million dollars, was it?

A. Twenty millions, yes.

Q. What was it for the year just closed?

A. The budget figure is fifteen million dollars.

Q. What do you estimate for the next year?

A. Seventeen million dollars.

Q. Do you think it is going to run about fifteen—between fifteen and twenty millions for say the next reasonable length you can plan for—ten years?

A. No, I do not. Governments will have to regard the future prospects and not build up too much on great expectations.

Q. Do you think it is apt to decline?

A. It is certain to unless there is an influx of capital here and a burst of prosperity where a fortune would be pulling in. I think the day of big fortunes on the continent of North America is gone; and I hope it is gone.

Q. These succession duties you feel are minor items in the receipts of this Province?

A. Yes, and perhaps the Dominion Government may do like the Australian Government and give us a better show of the income tax, as we should have, and I think that is sound. That is not a political statement, but I think the Province should have the first taxable revenue, and I have always looked to that point, hoping that the income tax will finally be more fairly divided than it is at the present time between the two jurisdictions.

Q. Would you say that within ten years the succession duties might drop to less than ten million dollars?

A. No, I do not think the succession duties will in the future—this country is growing in wealth, and I think that any government in the next twenty years, unless there is some major change in our whole set-up and in our economic set-up, and our system of government, and system of finance—I think that any government can in a wealthy province like this, reasonably expect a million dollars a month succession duty.

Q. Provided there is some change or is not?

A. Provided there is an improvement, which we all hope for. I say unless there is some great change. There might be a change in the capitalistic system.

Q. We cannot spend time going into the possibilities of that this morning? There are some things in The Succession Duty Act at the present time that are too generous.

I think that provision that a man can give away all his estate and escape succession duty, I frankly say I think that is too generous.

A. I do not think so because, I think, in England, where they have had long experience with these things—I think it is either three or five years.

MR. FROST: Q. If you are going to get up your succession duty, you will have to increase the taxation in the lower brackets; is that not right?

A. No, I do not think the succession duty should bear heavily on the smaller—

Q. But if you are going to keep up the revenue, that is what you would have to do; I do not say it is sound, but that is what you would have to do?

A. Well, I have in mind about 31 funerals that might help—

Q. They might fool you by transferring all their stuff down to the Bahamas or some place.

HON. MR. MACAULAY: Q. I asked you to send for the medical accounts; have you got those?

A. This is a statement of the Hydro borrowings that they have just sent up.

THE CHAIRMAN: That is Exhibit twelve.

Whereupon the following document was offered and admitted in evidence as Exhibit No. 12, and is in words and figures as follows, to wit:—

PROVINCE OF ONTARIO  
HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO  
Statement of Borrowings by the Hydro from October 31, 1934, to March 31, 1939

Date of Issue	Date of Maturity	Purpose of Issue	Nature	Rate %	Amount \$
January 1, 1935	January 1, 1943	re Dominion Power Transmission Co.	Straight Term	3½	8,000,000.00
January 1, 1935	January 1, 1943	re Restoration of Reserve Funds	Straight Term	3½	2,000,000.00
March 2, 1936	March 1, 1941	re General Purposes	Straight Term	2½	15,000,000.00
June 15, 1936	June 15, 1944	re General Purposes	Straight Term	2½	10,000,000.00
March 15, 1937	September 15, 1937	re General Purposes	Instalment Issues	1¾	2,000,000.00
March 15, 1937	March 15, 1938	re General Purposes	Instalment Issues	2	2,000,000.00
March 15, 1937	September 15, 1938	re General Purposes	Instalment Issues	2 1/8	2,000,000.00
March 15, 1937	March 15, 1939	re General Purposes	Instalment Issues	2¼	2,000,000.00
March 15, 1937	September 15, 1939	re General Purposes	Instalment Issues	2 3/8	2,000,000.00
April 1, 1937	April 1, 1942	re Ontario Power Service Corporation	Straight Term	2½	11,000,000.00
April 1, 1937	April 1, 1947	re Ontario Power Service Corporation	Straight Term	3½	8,000,000.00
1 February 1, 1938	February 1, 1950-53	re Toronto Power Co. Ltd.	Straight Term	3¼	9,000,000.00
2 August 1, 1938	August 1, 1948	re General Purposes	Straight Term	3	12,500,000.00
					<u>\$85,500,000.00</u>

1—Callable in whole at the option of the Hydro-Electric Power Commission on or after February 1, 1950 upon due notice.

2—Callable in whole on or after August 1, 1946, on any Interest Date on thirty days' notice.

NOTE.—The above issues are guaranteed by the Province of Ontario.

The Hydro paid to the Province, during the period from November 1, 1934, to March 31, 1939, \$9,741,191.14 as their share of maturing Provincial borrowings.



HON. MR. MACAULAY: Q. You have filed as Exhibit twelve the borrowings by the Hydro from October 31st, 1934 to March 31st, 1939; are those short term?

A. I think it gives the currency of it there, does it not?

Q. I see there is only one later than 1948, so all except one are ten-year maturities?

A. Are what?

Q. Ten-year maturities?

A. You cannot successfully put out issues for longer. The institutions won't take them.

Q. Those are all guaranteed by the Province?

A. Yes, sir.

Q. Do you know if they were let by tender or by negotiation?

A. They were let by tender I think mostly, except I think the last one or the second last one they called tenders, and we did not accept it, and I told them I did not think it was good enough, and I sent them back to the people, and the people improved the price by negotiation.

Q. They consulted you before they let them?

A. They have to because they have the guarantee of the Province, and the Province has to concur in the quotation.

Q. Have you got the other—

A. I promised you a statement of the Agricultural Development Board.

Q. No, what about the medical accounts; have they come down yet?

A. They are on the way over from the Welfare Department.

Q. All right, we will go into the Agricultural Development Board.

A. You asked me as of the 31st of March, 1938, and it is a big job, and they did not complete that, and they have given me the 31st of December, 1937, and I hope you will accept that, because in the winter months there are no amounts coming in anyway, and they had this available. It will be substantially the same. This is a statement of Mortgage Loans in Arrears as at December 31st, 1937, and it shows the number of loans, and the total amount of principal, and the principal arrears, and the arrears of interest and the grand total, and it classifies it as less than one year, less than two years, less than three years, less than four years, and four or more years.

Whereupon the following document was offered and admitted in evidence and marked Exhibit No. 13, and is in word sand figures, as follows, to wit:

PROVINCE OF ONTARIO  
AGRICULTURE DEVELOPMENT BOARD  
Mortgage Loans in Arrears as at December 31, 1937

	No. of Loans	Total Amount Principal	Principal Arrears	ARREARS Interest Arrears	Grand Total
1—Less than 1 year....	2,761	\$7,492,059.52	\$191,786.45	\$153,960.13	\$345,746.58
2—Less than 2 years....	1,693	4,337,182.10	290,457.18	223,586.70	514,043.88
3—Less than 3 years....	1,452	3,912,666.93	480,533.01	345,916.06	826,449.07
4—Less than 4 years....	1,402	3,941,933.83	639,532.13	515,797.94	1,155,330.07
5—Four or more years..	3,421	10,974,556.42	2,802,175.03	2,569,888.11	5,372,063.14
	10,729	\$30,658,398.80	\$4,404,483.80	\$3,809,148.94	\$8,213,632.74

Q. Then, Exhibit thirteen shows the categories of all the loans of the Agricultural Development Board under their various headings. There are a total of 10,729 loans?

A. In arrears.

Q. In arrears?

A. And there are about fifteen thousand loans.

Q. And those that are four years or more in arrears—there are 3,421, and with interest on arrears of two and a half million dollars approximately. We are more concerned with the arrears in interest than the arrears in principal, are we not?

A. No, one is the same to us.

Q. A man who pays interest is probably in a better condition—

A. Yes, as long as a man paid his interest he would not be bothered about the principal.

Q. He is similar to the home owner under The Moratorium Act?

A. Yes.

HON. MR. CONANT: Q. What is the rate that they pay?

A. Four per cent.

MR. ELLIOTT: It was originally five and one-half per cent.

HON. MR. NIXON: Originally it was more than that.

MR. FROST: Originally it was about six per cent in 1922.

HON. MR. MACAULAY: Q. When it started in 1922 I suppose the effective rate was about six per cent?

A. I think so, yes. Money costs us less now.

MR. FROST: Q. What do you count your average rate?

A. The average effective rate is about 4.56 now.

HON. MR. MACAULAY: Then that is the only item. When we get that other, we can conclude.

A. I will not leave this; I will read them and pass them on to you. This is voucher number 3326, dated March 31st, 1938, for the Treasurer of the City of Toronto; amount paid to Toronto, \$468,188.15; and the Ontario Medical Association, \$25,686.85.

That was charged to the previous year, and the cheque was mailed on April 30th.

Q. Is that for Toronto?

A. Toronto. That is for Toronto.

Q. Before you pass on to the next one, you have got charged to March the sum of \$25,686.85 for relief accounts for the doctors in Toronto alone?

A. Yes.

Q. That would not be for the Province as a whole?

A. No. The next one is voucher 3302; several municipalities in here—New Toronto is in here, and the Town of Mimico, and the Town of Weston, and the Ontario Medical Association was \$1,134.35, and that was charged to March, and the cheque was mailed on the 21st of April. The next is voucher 3318, but in this is included the Town of Leaside, and the Village of Long Branch, and the Township of East York, and that is the only ones in this district; and the Ontario Medical Association, Five thousand dollars, and that cheque was mailed on April 30th.

Q. That will be included in the March 31st fiscal period?

A. Without exception, it is. The next is voucher 3340, the Township of Etobicoke, and the Township of Scarboro, and the Township of York, and the Township of York North, and the Ontario Medical Association, fifteen thousand dollars. That cheque was mailed on May 2nd, 1938, and charged to March. That voucher was probably received late. The last one is voucher number 3347, the Township of Toronto; the Ontario Medical Association, \$912.45, and the cheque was mailed on the 26th of April, and charged to March.

I think that cleans them all up. So that if these people are complaining, it does not follow that it is due to the Welfare Department here.

Q. You are paying something out to the Ontario Medical Association every month?

A. Yes.

Q. How do you account for the doctors in York Township telling me that their cheques for January have not been paid in the month of April?

A. The January accounts for this year?

Q. Yes, and I suppose the same thing applies to last year?

A. Well, if they are in the Welfare Department, and have been received by the Welfare Department, they would be sent to the Treasury the same day or as soon as they could possibly be checked up. There is no delay there, and I am quite willing, with the consent of the Committee, to turn up the January accounts for the Township of York, and I am certain there is no delay there, either here or in the municipality. People say those things—

Q. I will be satisfied with your investigation?

A. Well, I will investigate it.

Q. And the Township of York can find out what has happened. It may be that the voucher has been coming through the mail every month, and it may be delayed three or four months at the beginning or at the end.

A. I will produce the vouchers to you.

Q. All right. There might be a delay by the Ontario Medical Association in clearing the cheques?

A. Well, I will clear that up. I will produce the voucher and get the reasons.

Q. Well, that is all, thanks.

HON. MR. NIXON: May I ask a question or two, Mr. Chairman?

THE CHAIRMAN: Yes, certainly.

HON. MR. NIXON: Q. On this question of cross-entries and deducting your expenditures; is it your department or the audit department which determines the entries?

A. The official in the department concerned agrees with the official in the Treasury Department, and that is subject to the control of the Provincial Auditor.

Q. Now, on the top of page ten, the first item of the Public Accounts that are before us, the very first item, the Department of Agriculture, you have a cross entry of \$378,000. You deduct from that \$377,000, leaving a net revenue of \$2,214.



A. Yes.

Q. Do you not think that the tail might as well go with the hide, and deduct the whole business?

A. Well, Mr. Nixon, as a result of those sessions we have had I had a discussion with the Provincial Auditor, and I have suggested two improvements; I have suggested first—it arises out of a question that the Honourable Mr. Macaulay asked of me, as to why with respect to the Department of Agriculture the amount applied in the deduction of the revenue does not agree with the amount deducted from expenditures. The reason is the interest on loans for settlers, and I asked the Provincial Auditor in the future when he gives the detail of that on pages fourteen and fifteen to break it up, because it is my view that the Public Accounts are not for accountants, but for the public and for the members, and to make them as clear as possible.

HON. MR. MACAULAY: That is right.

HON. MR. NIXON: Q. For example, in the analysis of the ordinary revenue, you do not deduct from expenditures, but I see you have license, one hundred dollars?

A. Yes.

Q. And that is shown on the top of the page as license sold to auctioneers?

A. Yes.

Q. Why should not licenses sold to threshing machine operators and apiary owners appear there?

A. You speak about the tail going with the hide. I think that there were a great many items there that are transferred as a matter of custom, that perhaps it would be more understandable if we did not transfer them.

Q. As a matter of fact, it does not bring any credit to the Government?

A. No.

Q. I know that we have been criticized in the House for not spending enough for Agriculture, and yet you are deducting practically the entire revenue from our expenditures and being damned for it. It is no secret to you that I have objected to this system, not only in the past but in the present?

A. Yes, and I said to lay off me because I was tired. I think there are certain items there—for example, if I might explain—suppose that the Works Department was brought in and asked if they would keep the University buildings, and that it would cost another \$150,000 a year, and they would say, "All right, we will do that," and then instead of showing a revenue of the Public Works Department, they would show it in the gross revenue, you then would say that is not a revenue for carrying on the Public Works Department. It is really doing it for the University, and whatever they will pay us, we will deduct

it from our revenue, and I think it has been carried too far. I am going to revise that, and I think it would be more understandable and perhaps give a better picture.

HON. MR. MACAULAY: Q. I show you a report that was tabled in the House for the year 1934, and certified by Mr. Challies, and on page two of that report it says :“Revenue refunds have been cross-entries in the Public Accounts since 1925; expenditure refunds since 1930, and the total expenditure refunds cross-entries since 1930—in 1930, seventeen million; in 1931, thirty millions, and in 1932, forty million, four hundred thousand.” Could you say, as an experienced accountant and a high official in the Treasury Department, that in any settled policy that that would be fair?

A. I would not attempt to say unless I saw the items. Some large item might well be, such as—not forty millions, but there might be an item of nine million dollars, which represents interest received from the Hydro and applied in reduction of principal and interest on the other side. I would not want to give an opinion on that unless I saw the figures.

MR. FROST: Q. So that, generally speaking, cross revenue figures ought to be taken instead of net revenue, and that the net revenue itself ought to be done away with or cut down very much from what it is to-day?

A. I have given that considerable thought, and I think if you did away with that, you would lose the value of comparison with previous years, and furthermore, you would have to show it, because somebody will say, Why are you only showing the net? If you only show a net figure for the Department of Agriculture, you would say, “What are all these students doing up at Guelph; there is something wrong,” and Mr. Nixon has instructed me to go into that very carefully, and I am going to.

HON. MR. NIXON: Q. As a matter of fact, in these Public Accounts for 1935 and 1936, all the revenue you allowed the Department of Agriculture is \$195. I paid more than that myself in connection with my son's education at the O.A.C.

A. I think that is a wrong principle—

Q. It is not quite as wrong as it used to be. We have got it down to thirteen millions, whereas in the net returns it was \$40,500,000, but I am objecting just as strongly to the abuses under this scheme to-day as I did in 1933.

HON. MR. MACAULAY: You are consistent in that, anyway.

HON. MR. HIPEL: I would like to ask a question. On page R-19 of the Public Accounts, there is an item of direct relief, \$9,739,997.93. How did you pay for that. Where did you get the money to pay for that?

A. Out of ordinary revenue.

Q. Out of ordinary revenue?

A. Yes.

Q. You did not issue any bonds for that?

A. No, no bonds were issued for any items, recurring items.

MR. FROST: Q. Let me ask you this: You did not issue any bonds for relief, but you issued bonds for roads, and I suppose you would divide the gasoline tax, and so on, between the other bills. I rather thought that my honourable friend's question had some political implications in it somewhere or other.

HON. MR. HIPEL: Q. The question is plain: That was taken out of ordinary revenue, a consolidated revenue fund?

A. Yes.

Q. Now on page 44, gross debt, 1938, it shows \$678,000,000; could you give us an approximate amount of how much of that is made up of relief costs which had been charged to capital?

A. I would not attempt to say, without some investigation.

Q. You cannot give it to us approximately?

A. No.

THE CHAIRMAN: Have any other members any questions they would like to ask this witness?

HON. MR. MACAULAY: Q. There is an item on page 44, Mr. Walters, that I do not understand what it means, and you might tell me; near the bottom of page 44, the net Provincial debt figures showing how the increase is made up for the years, "Transferred to reserves, \$120,553.19"; reserves of what?

A. On page 44?

Q. Yes.

MR. ELLIOTT: Right at the bottom.

MR. FROST: The third line from the bottom.

HON. MR. MACAULAY: Q. "Transfers from reserves"?

A. I cannot tell without looking it up. They were not liabilities. In the previous Public Accounts, items were shown as liabilities, which were not, in fact, liabilities.

Q. So you just took that over as a credit then?

A. These are my figures (indicating).

Q. What are they?

A. One was reserves of the Provincial Savings Office.

Q. Why did you not keep that?

A. Because it was shown as a liability, when it is not.

Q. You take something out of the reserve account and apply it on your current figure for the year, then; is that what you mean? You take it out of the liability column, and that gives you practically the revenue?

A. No, it was done in building up the figure of the net debt.

Q. Instead of your liability, you took it out of the liabilities side, which improves the assets side?

A. Yes.

Q. What is the other item?

A. \$293,000, Ontario Fire Relief Fund. I am not sure of all this, but I remember discussing some of them with Mr. Cotnam the year before, and I have marked some of them with my green pencil here. I had better give you an analysis of that, and I will give you all the figures.

Q. All right. Thank you, Mr. Walters. That is all I have to ask.

THE CHAIRMAN: Is there any other member wants to ask this witness any questions?

MR. CHALLIES: Q. Turning to page 32, "Capital Receipts," the second division from the bottom, "Treasury Department; Main Office," I see, "Sale of Miscellaneous securities, gymnasium fund, Training School for Boys at Bowmanville, \$11,613"; were those bonds sold?

A. I think it was a fund—either the Rotarians or the Kiwanians sent that fund in, and that money was given to the Province. I think perhaps you know about this more than I do. It was to start some boys' work at Bowmanville, and the Province went on and built a building there—

Q. It was in connection with the gymnasium?

A. They just gave us certain equipment there.

Q. That was back a number of years ago, when the bonds were deposited with the Government, and then cashed?

A. Yes, they were, and they were used for the purpose for which they were given.

HON. MR. NIXON: Q. And the cost of the gymnasium was many times the amount of the bonds?

A. I will look up and see how far back they go. It was in the old Public Accounts. I think I discussed it and told them to sell them and put the funds into the Treasury.



MR. CHALLIES: Q. I cannot understand why they were held for so many years and then cashed?

A. It might be—I don't know. Some of those old funds have stood there, and nobody has done anything with them. There are still items in the Public Accounts which we will have to clean out.

Q. In other words, they converted them into cash, and used the cash?

A. Yes. I see in the Public Accounts of 1935 there is an item there "Gymnasium Fund; Contribution to Training School for Boys; \$20,000."

Q. What page is that on?

A. Page 41 of the Public Accounts of 1935.

Q. It has been dwindling every year, and that evidently is the residue?

A. I do not recollect whether it is dwindling or not. It may be some that were previously sold. But that is what was done—they were sold.

MR. FROST: Q. Mr. Walters, just another point: Down at Osgoode Hall there is a fund, the Suitor's Fund. I understand that was transferred over to the Province. My recollection is that that fund showed quite a large surplus. We got some information on it last year. Has any of it been transferred to the ordinary funds of the Province at all?

A. I think there was. I think there have been. I think two or three years ago there was some transferred. I think from time to time the accountants show how much is on hand, and how much the reserve is, like unclaimed balances, and so on. I believe it has been building up there since Confederation.

Q. My recollection is there was an amount there; was it ordinary funds, or did it go to pay capital?

A. I speak from memory when I say it went into the ordinary accounts.

HON. MR. MACAULAY: Q. I think there was an item of about \$700,000 went into the ordinary account?

A. I think it was when Honourable Mr. Roebuck was Attorney-General.

HON. MR. MACAULAY: Q. The fund was transferred to the Treasury?

A. Yes. I am the Chairman of that Finance Committee.

Q. Who are the Finance Committee?

A. Mr. MacNairn and Mr. Magone.

Q. Any judges on it?

A. No.

Q. Were they formerly the managers of the fund?

A. Yes.

Q. What is the capital of that fund?

A. I think it is over \$3,000,000. We have not changed any of the investments—

MR. FROST: Q. You still have the Arcade?

A. Yes. There will be a big loss there on that mortgage. I don't know—it is pretty hard to decide what to do with it. We are in bad times. I think the best thing to do would be to tear it down and convert it into a parking lot. It does not carry itself this way. The City would probably complain about it because they would lose a lot of tax revenue.

HON. MR. MACAULAY: Q. That is the accounting of the Supreme Court Fund?

A. Yes.

Q. Is there any other fund within the disposition of the Public Trustee of the Province?

A. Yes.

Q. Who looks after that?

A. Mr. Middleton is the Public Trustee. I am on the Finance Committee.

Q. Who are—

A. The same members.

Q. You, and Mr. MacNairn and Mr. Magone?

A. Yes.

Q. You handle the investments of the Public Trustee?

A. Yes. We never have purchased anything except the Province of Ontario or Hydro bonds, excepting I think on some occasions we have purchased small lots of Dominion of Canada's.

Q. What is the gross of that fund?

A. I don't know offhand.

Q. Is any of it shown in the Public Accounts?

A. I don't think so.

Q. Do you think it should be?

A. I don't know. I would like to give that consideration.

Q. They were formerly managed by people entirely outside of the Civil Service, now they are managed by civil servants?

A. The Public Trustee?

Q. Yes?

A. I was not aware of that. I would say this, that the funds of the Supreme Court were very badly managed.

Q. By the judges?

A. I would not want to cast any reflection on their integrity. I do not believe they managed it themselves, but I believe they must have left it to somebody, because there was a terrible lot of "cats and dogs" in their investment.

Q. There was a surplus?

A. Yes, but no thanks to them.

Q. There was a surplus much bigger than any potential loss of capital?

A. Yes.

Q. So there would be no loss?

A. There would be no loss, no.

Q. To the fund?

A. No. There has been a reserve of half a million dollars set up against loss.

Q. That was a wise provision?

A. That was done on the suggestion of the auditors.

Q. Many years ago?

A. I don't know who did it. I think they have always had very good auditors there. I think Messrs. Clarkson, Gordon and Dilworth were their auditors, a very fine firm.

MR. FROST: Q. Do you recall how much the surplus was, when it was turned over?

A. None was taken over.

Q. I thought legislation was passed to take that over?

A. No. The legislation, as I recall it, was to require that the only investments were to be made in the obligations of the Province of Ontario—

Q. That is right.

A. —and the other was to change the committee, from a committee of judges to a finance committee to be appointed by the Lieutenant-Governor in Council.

Q. Has there been anything done with it since that time?

A. The fund at this juncture is absolutely intact. We have not sold a single investment, because we found this difficulty; all the debentures there were stamped, I think, "The property of the Supreme Court of Ontario," and they are not easily negotiated.

Q. Would not the judges sign off?

A. They could be negotiated, but they are not readily negotiable. Furthermore, we had several meetings of the committee, and we were of the opinion that the financial position of most of the municipalities whose obligations we held were improving, and therefore, we would be unwise to sell them now, but rather wait until they refunded and we would save some loss out of it, rather than throw it on the market now. Furthermore, it would disrupt the market.

Q. Have you transferred some of that surplus to the Provincial Fund?

A. We have not.

HON. MR. MACAULAY: Q. I suggest, Mr. Walters, that in the next Public Accounts they could be incorporated, the Supreme Court Accounts, the Ordinary Accounts, the Public Trustee's Fund, and the Suitors' Fund?

A. Yes.

MR. ELLIOTT: Q. What would you say as to its reactionary effect on business generally?

A. It has a most excellent effect. I think the psychological effect on the business of governments is one of hope and courage, and the one thing needed on the North American continent to restore buoyancy and confidence.

MR. FROST: The great thing to restore confidence is really tax reductions?

THE WITNESS: Yes. But the municipalities seem to—each public authority seems to want to feed on the bigger authority. We complain because the Dominion does not do that; the municipalities complain because we do not do it. When you show some healthy sign, Ottawa says, "What are you asking for anything for; you have more money than we have?"

HON. MR. NIXON: You might say the same about the City of Toronto.



MR. FROST: You went a long way in letting them think that.

THE CHAIRMAN: Has any other member anything further to ask Mr. Walters?

No response.

THE CHAIRMAN: Very well, then, that is all, Mr. Walters, thank you.

The witness retired.

THE CHAIRMAN: Moved by Honourable Mr. Macaulay, seconded by Honourable Mr. Nixon, that we now adjourn.

Whereupon the further proceedings of this Committee adjourned at 12.40 p.m., *sine die*.

## APPENDIX No. 3

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Report and Minutes of the Meetings of the  
Standing Committee on Fish and Game

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Session of 1939



No. 3

# Report of the Standing Committee on Fish and Game 1939

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SESSION OF 1939

*To the Honourable the Legislative Assembly of the Province of Ontario:*

Gentlemen:

Your Standing Committee on Fish and Game beg leave to present to the House the Minutes of their meetings held during the current Session and recommend that they be printed as an appendix to the Journals of the House.

All of which is respectfully submitted.

W. L. MILLER,  
*Chairman.*

Committee Room,  
Thursday, April 13th, 1939.



# Minutes of the Meetings of the Standing Committee on Fish and Game

## FIRST SITTING

Wednesday, March 26th, 1939—10.00 a.m.

Members present were Messrs. Baker, Ballantyne, Bélanger, Bradley, Brownridge, Campbell (Kent East), Carr, Challies, Cooper, Cox, Croome, Dickson, Doucett, Fairbank, Fletcher, Freeborn, Gordon, Guthrie, Habel, Haines, Hepburn (Prince Edward-Lennox), Hunter, Kidd, Lamport, Macfie, MacGillivray, Miller, Nixon (Brant), Nixon (Temiskaming), Oliver, Reynolds, Sinclair, Spence, Trottier, Welsh.

On motion of Mr. Nixon (Brant), seconded by Mr. Cox, Mr. Nixon (Temiskaming), was elected acting Chairman.

Expressing thanks for the honour conferred upon him, Mr. Nixon said he was glad to act in Mr. Miller's absence. He was glad to see so many present who are interested in one of the Province's important industries.

Mr. Nixon (Brant), Minister of Game and Fisheries expressed pleasure at seeing so many ladies at the meeting. He stated his Department would maintain the Province's attractive fish and game features for the people of the Province and the vast army of tourists.

The Minister stated that his Department had distributed 20,000 pheasants in old Ontario last year.

The Minister stated that Ontario distributed more fish for restocking than all the rest of Canada. It was the hope of the Department to lengthen the open season for partridge this year. Game and fish was plentiful in old Ontario and there was a flourishing colony of beavers in Brant.

On motion of Mr. Nixon (Temiskaming), discussion at the meeting was confined to game and fur bearing animals.

Mr. Howard Clark, Ridgetown, vice-president of Kent County Sportsmen's Association, presented the following list of recommendations which it had adopted.

1. That the spearing of pike in ditches and dredge-cuts in Kent County be permitted during the pike run.
2. That the use of gang hooks in any form for the taking of fish previous the opening of the black bass season each year be prohibited.

3. That the Department of Game and Fisheries cease the practice of removing black bass from Mitchell's Bay, for spawning purposes in the Provincial Fish Hatcheries, for a period of five years.

4. That the appointment of more full time Game Overseers in this district be urgently requested.

5. That all waters, marshes and lands outside normal high water mark along the shores of Lake St. Clair, and all waters in and adjacent to the County of Kent be declared Crown Lands for the purpose of public hunting and fishing, and that existing leases on such waters, marshes or lands be immediately cancelled.

6. That, if there is an open season on quail and pheasant next fall, the shooting hours conform with the regulations as stated on the Gun License, viz., sunrise to sunset.

7. That each duck hunter be limited to owning and operating not more than two duck blinds on public shooting grounds.

8. That the shooting of migratory birds from one hour before sunrise to one hour after sunset be permitted in Kent County.

9. That all individuals be permitted to feed ducks for hunting purposes.

Mr. Russell Symonds, Essex County Sportsmen's Association, supported recommendations of the Kent Association.

Mr. E. L. Hughes of the Northern Ontario Tourist Trade Association, introduced members of that organization, and presented the following list of recommendations which it had adopted:

1. Many of the areas where outfitters' camps are presently operating have been built up to such an extent that a shortage in the fish and game supply is already apparent. Because of this we request that your Department make an immediate survey of all territories where such congestion occurs; and that you do not issue any additional camp licenses in such territories.

We are convinced that this will be an important move in the interest of conservation as well as a distinct benefit to the tourist trade of the Province generally.

2. We recommend that there will be an open season for partridge again this fall.

3. We recommend that the area presently closed to moose hunting in section "B" be continued for 1939.

4. We recommend that Eighteen Mile Island in the French River be set apart as a game sanctuary; and that the game resources therein be adequately protected.

5. That this Association urges that the royalty on bear be waived on such trophies legally hunted and shot under authority of a bear license.

6. We recommend that the bounty on wolves be increased to \$25.00.

7. We recommend that a sufficient quantity of wild rice or other suitable food for water fowl be made available for planting in the waters of Northern Ontario in order that the stay of our migratory water fowl be extended.

8. We recommend that additional game wardens be appointed in the Province of Ontario and particularly in the following areas, namely:

Quibell and north—one additional.

Chapleau area—two additional.

Temagami district—two additional.

Ardbeg district—two additional.

Metagama area—one additional.

Temiskaming Game Preserve on the T. & N.O. Railway—one.

Webbwood—one game warden to be stationed there.

Mr. Hughes asked that Eighteen Mile Island in the French river be made a game sanctuary; also that no more outfitters' camp licenses be issued.

Mr. Jack Halton, Welland County Game and Fish Protective Association, asked that school children be educated in the need for conservation of game and fish.

Mr. H. W. Hunsberry, Jordan, vice-president of Ontario Hunters' Association, submitted resolutions and recommendations from that organization as follows:

1. We wish to express our appreciation of the efforts being made by the Government in solving the problems of wild life conservation in the Province of Ontario.

2. We note with pleasure that more wild life conservation is being taught in the public schools. We heartily recommend that the time spent on this subject be increased and that it be included in our secondary school curriculum.

3. We recommend that the holder of a gun license have his license cancelled for a period of one year on conviction of a breach of the Game Law.

4. We recommend that the bounty on Wolves be increased to induce trappers to destroy more of their numbers.

5. We recommend that there be no change in the laws relating to deer.

6. We recommend that in all regulated game preserve areas the license fee be uniform; that all township licenses in any one county be honoured by each and every township in that county.

7. We recommend that the muskrat season in Haldimand County be closed for at least three years.

8. We recommend that there be a closed season on raccoon in Welland County for 5 years.

9. We recommend that the moose season in Section B be ten days earlier, opening October 5th.

10. We recommend that more paid part-time wardens be appointed for the months of October, November, January and February in all regulated game preserves. It is suggested that the townships should bear part of the expense of these wardens.

11. We recommend that District Game Overseers should call meetings of their deputies and give instructions on game law enforcement.

12. We recommend that only British subjects be granted a resident hunting license.

13. We recommend that automatic shot guns limited to three shells be permitted.

Mr. John Putherbough, London, secretary of the Middlesex Hunters' Association, represented camp owners on Eighteen Mile Island. He suggested the island be set aside as a game preserve effective December 1st this year.

Mr. Taylor, deputy minister, said camp owners would be notified in ample time if this action was taken.

Mr. Joseph Samson, Sudbury Fish and Game Association, recommended the Department maintain an air service patrol all year and that this be placed at the disposal of the game wardens.

Mr. Robert Burns, representing Sault Ste. Marie Fish and Tackle Club, praised the work of the Department. His association wanted a higher wolf bounty. He regretted decrease of moose and deer in the southern portion of Algoma.

Mr. Burns said his club recommended that biologists, forestry men and other experts should make a survey to determine what is causing shortage of game. He also hoped the Department would distribute more Hungarian partridge.

Mr. W. R. Griner, North Waterloo Fish and Game Association, asked for an open squirrel season in 1939.

Mr. E. J. Wilford, Ohio fish and game conservation official, addressed the meeting, asking a reduction in the fee of non-residents. He said more Ohio sportsmen would come to Ontario if the hunting fee was reduced from \$25.

Mr. Taylor, deputy minister, informed him that in many States in the United States, Canadians were prohibited from buying licenses.

E. E. Shepherd, Montreal, editor of Hunting and Fishing magazine, told of a visit to the Hanna Bay geese sanctuary with the deputy minister.



Mr. Max Wonsch, representing fur dealers, petitioned the Committee for a reduction in fur trader's licenses.

Mr. Cooper, Sudbury, asked Committee for an expression on Sunday hunting. No discussion followed as the deputy minister explained it would be taken up later.

Mr. Campbell Hanson, Lake of Woods, said outfitters which he represented did not object to the one buck law.

Mr. William Gasdale, Fruitland, was opposed to legalizing Sunday shooting. He hoped it would never again be brought up at a fish and game meeting.

Mr. J. C. Tuck, of Freeman, doubted that Eighteen Mile Island was a good place for a game preserve.

W. Keith, Comber, at end of meeting withdrew recommendation of Kent County Sportsmen's Association, that Game Overseer Jensen be dismissed. Hon. Mr. Nixon, Minister of the Department, strongly protested against what he termed was an attack on a public servant at this meeting.

Mr. Nixon said the matter would be given full attention by his Department in the proper place.

The Committee adjourned at 1 p.m. to meet again at 10 a.m. Thursday, March 27.

## SECOND SITTING

Thursday, March 27th, 1939—10.15 a.m.

Members present were Messrs. Acres, Ballantyne, Bélanger, Brownridge, Campbell (Kent East), Cholette, Conacher, Cox, Croome, Dickson, Duncan, Elliott, Fairbank, Freeborn, Gardhouse, Gordon, Guthrie, Haines, Hepburn (Prince Edward Island), Hunter, Macfie, Mercer, Miller, Murray, McEwing, Nixon (Brant), Nixon (Temiskaming), Oliver, Smith, Strachan. Mr. Miller, Chairman.

Mr. Nixon, the Minister of the Department, replying to Mr. Burns of Sault Ste. Marie, said his Department was certain no young beavers were born in March. Mr. Burns had said trappers had complained against an open season in March.

Dr. Bliss, representing Ontario Federation of Anglers, presented the following recommendations of that association:

Inasmuch as licenses are issued for spearing certain species of non-game fish during the spring run, which time coincides with the spawning of some of the game species, notably the maskinonge, and that the abuses and violations

of The Game and Fish Act take place under the pretence of using the spears for the taking of these coarse, non-game species and as the game species so affected are becoming rapidly depleted, notably the maskinonge, the Federation strongly recommend that all existing spearing licenses be cancelled, and that the Committee recommend to the proper authorities that the use, possession, manufacture and sale of spears be prohibited in areas within the jurisdiction of the law enforcement officers of this Province.

It is further recommended that the use of dip-nets (not minnow nets) be prohibited except during the two-week period in the spring, when suckers are running.

While we do not approve the use of dip-nets in any form, we feel that this limited period is certainly the lesser evil, and that such a measure would be in the interest of true conservation and would answer the objections of those who state that non-game fish are taken for humanitarian reasons.

We would draw the attention of the Committee to the repeated requests from our member associations throughout the Province, year after year, asking for the abolition of the spear and dip-net, and we, therefore, recommend their abolition with the exception of the dip-net for the above mentioned two weeks during the spring run of suckers, feeling that no legitimate interest would be injured by such legislation, the hands of the enforcement officers would be greatly strengthened and the protection of maskinonge and other game fish would be materially aided.

We are impressed by the numerous requests for additional paid game wardens, particularly during the spawning season of maskinonge and bass, from April to the end of June. We are aware that the Department has already made a move in this direction. We strongly urge that this policy be extended and that additional wardens be placed as assistants to the overseers in the maskinonge and bass areas of the Province.

It would be most impressive and intimidating to poachers if many convictions were secured this coming season. It has been repeatedly shown that many of the penalties now existing for infractions of The Game and Fisheries Act are altogether inadequate, in fact so mild as to provide little deterrent to violators.

It is strongly recommended that the Department review the present penalties, and recommend to the proper authorities that necessary amendments be made to the Act, whereby more severe penalties may be imposed for violations.

As an example, the necessity of such a change may be cited as follows:

If an offender is in illegal possession of grouse, he may be fined \$10.00 per bird, and costs, but where he is in illegal possession of fish the penalty prescribed by the Act is the same whether he is in possession of one or more above the legal limit.

We therefore recommend that the principles of penalizing offenders against the game laws be applied to the fish laws.

We have received strong requests from member associations that the Department extend its activities of surveying waters, to determine their suitability for game fish. In this regard we might mention particularly the recommendations already forwarded to you by the Kirkland District Game and Fish Protective Association of Kirkland Lake.

We recommend that in the Kawartha Lake District, as recommended by the Peterborough Game and Fish Protective Association, with respect to large and small mouth black bass, that the open season be limited to from July 1st to September 30th. Lake trout and pickerel May 16th to September 30th inclusive, and yellow pickerel be not taken by angling under 15 inches in length. Provided, however, that in waters inhabited by bass or maskinonge no one shall fish from a boat or otherwise floating device from October 1st to June 30th. They also request that the carp menace which is becoming serious in their district, be dealt with.

We are advised that fishing, particularly from motor boats, on the Grand River from Dunnville to Cayuga, is being carried on on a large scale, with more than one line per fisherman. This breach of the Act is carried on mostly on Sundays by foreigners. As this stretch of twelve miles of water is highly valued by sportsmen of the Niagara Peninsula and southern Ontario generally the Ontario Federation recommend that these complaints be carefully looked into and that special legislation be enacted if necessary for its protection. A member association requests that the Grand River and tributaries be closed to Maskinonge fishing by angling or otherwise and that the size limit of yellow pickerel to be taken by angling be 15 inches.

We deplore the Nipigon river situation. Nation-wide concern has arisen over the running of logs down this river from Virgin Falls, which we think will lead to its ruination as the finest trout fishing river on this continent. Its drawing power to tourists, and its world wide reputation will be seriously damaged by this practice. We would respectfully ask that the Department make an independent investigation as to the damage which may be done to the fish population, and the river's attraction to anglers. We would also ask that the Department investigate the alternative plan of moving these logs through Hannah Lake from South Bay of Lake Nipigon to the Nipigon River below the seven-mile stretch of the river we wish to conserve.

It has been strongly recommended by the Lake of the Woods District that the Department restrict the number of maskinonge that may be taken by any one angler in one season. They suggest ten fish as a seasonal limit.

Widespread dissatisfaction has been voiced in no uncertain terms by the numerous member associations and generally by the angling fraternities of this Province, over the early opening of the maskinonge season in the year 1938.

All the efforts of this association to conserve this fast disappearing fish would seem to have been disregarded, as even shorter seasons than existed prior to 1938 have been continually advocated.

We would urgently request the Committee to consider July 1st as the earliest



opening date in the future, and that the season be shortened by closing September 30th.

Referring to the question of size limit. Heretofore, in view of the small number allowed to be taken, namely, two maskinonge per day, it was probably owing to the removal of smaller fish, with which sportsmen were generally satisfied, that no restrictive length was set; also it was thought small fish being returned to the water would be so damaged mechanically or by subsequent infection that it would be more advantageous to retain them rather than to return them to the water. But during the past ten years conditions have changed in the maskinonge population. Smaller average fish are now being taken, irrespective of whether they are sexually mature or not, and further we are of the opinion that these fish can be returned to the water with a better chance of surviving than was formerly thought possible, due to refinements in angling tackle. We recommend, therefore, that the Department should place a minimum size limit for maskinonge arrived at by the advice of the Biologist of the Department of Game and Fisheries.

This Federation is aware of the splendid work being done by the Department at Deer Lake in Peterborough County, on maskinonge propagation. We have repeatedly asked the Department to appoint a full time investigator to make a long term study of the life history of this fish.

We would recommend that a senior student of biology be appointed to carry out this work, for a period of at least three years, or until the Department is successful in raising maskinonge to a size which is capable of surviving. This work to be carried on under the Department of Game and Fisheries with such other students allotted as may be needed to assist in the work. The whole appropriation for this study, we believe, need not exceed \$2,000.00 per year. The valuable and useful information that this association has collected from its maskinonge questionnaire is available to the Department to use as it sees fit. This information has convinced us of the urgent need for action such as we suggest.

Mr. Howard Clark, vice-president, Kent County Sportsmen's Association, submitted recommendations from that body, as follows:—

1. That the license of anyone convicted of shooting game birds out of season or selling game birds at any time or having in their possession game birds at any time out of season be cancelled for a period of from two to five years.
2. That six jack rabbits only be allowed in the possession of one non-resident hunter for the purpose of exporting.
3. That the goose season be from November 1st to December 31st.
4. That stiffer fines and cancellation of gun licenses be imposed for the unlawful shooting of game birds.
5. That Essex County be allowed to feed and decoy wild geese—Kent County to be included.



6. That some arrangement be made whereby feeding and baiting may be allowed to others outside of the large wealthy clubs who already have feeding and baiting privileges which are contrary to The Migratory Birds Convention Act.

Mr. Joseph Samson, Sudbury Fish and Game Association, asked more fish ladders be placed in waters where fish are found. He favoured making Sunday hunting legal as people in Northern Ontario wanted it.

W. A. Keith, Essex County Sportsmen's Association, endorsed recommendations submitted by the Kent Association as follows:—

1. That the license of anyone convicted of shooting game birds out of season or selling game birds at any time or having in their possession at any time out of season, any game birds, be cancelled for a period of from two to five years.

2. That six jack rabbits only be in the possession of one non-resident hunter for the purpose of exporting.

3. That the goose season be from November 1st to December 31st.

4. That stiffer fines and cancellation of gun licenses for unlawful shooting of game birds be imposed.

5. That the shooting hours for upland game be amended to read 7 a.m. to 6 p.m. on the days of open season.

6. That shooting of migratory birds be allowed one hour before sunrise and one hour after sunset in Essex County.

7. That Essex County be allowed to feed and decoy wild geese.

8. That upon the recommendation of several branches a poll was taken among the complete directorate as to the advisability of asking the Department to replace Game Overseer A. C. Jensen. That he has outlived his usefulness as a game warden in the opinion of the Essex County Sportsmen's Association.

9. That in view of the locality of a certain amount of territory in Essex County on the international and tributary waters, consideration be given by the Department to the taking and spearing of fish and that a regulation be drafted if possible to allow spearing upon the international and tributary waters along these shores. A small license for the same being charged by the Department.

10. Owing to the fact that the opening and closing of the muskrat season has been somewhat vague in the past, it is recommended that the present game wardens be notified at least one week in advance of the season's opening and closing, and if possible one week in advance should there be any extension of the season, so that traps may not be lifted.

11. That the racoon season be made to read the 1st of October to the 30th of November. Both days inclusive.

12. That some arrangements be made whereby feeding and baiting may be allowed to others outside of the large wealthy clubs who already have feeding and baiting privileges which is contrary to The Migratory Birds Convention Act.

Mr. Russell Shields, Peterborough, submitted recommendations from the Peterborough Association, asking extra car allowances for game wardens and that the game preserve in his section be properly marked; he also would like to see the Department establish a fish hatchery on Pigeon Lake.

Mr. Arthur Jackson, Sudbury Fish and Game Association, asked for more game wardens at a fair salary.

Mr. E. L. Hughes, Northern Ontario Tourist Trade Association, presented the following recommendations:—

1. That the Department make a survey of the waters at present being commercially fished, to determine the influence of this type of fishing on angling possibilities, and that they consider the advisability of cancelling all commercial licenses where they are found to be detrimental to angling interests in general. We particularly recommend that the following waters be closed to commercial fishing:—

Big Sand Lake in the Minaki district,  
Long Bay in the Lake of the Woods area,  
the Bustard Islands in Georgian Bay,  
Honora or the West Bay in the Manitoulin Island,

and that gill nets be prohibited in Lake Nipigon, Batchawana Bay and off from the mouth of the Pickerel and French Rivers in Georgian Bay.

2. We desire that the opening of the muskie season in Northern Ontario remain at June 20th.

3. We strongly urge the prohibition of the manufacture, sale, possession and use of fish spears in the Province of Ontario.

4. We recommend that the question of pollution from cyanide and other causes be investigated by the Department of Game and Fish and an effort be made to prohibit and eliminate its damaging effects to game fish.

5. We recommend that the Forestry Department co-operate with the Game and Fish Department in the use of Forestry planes in restocking inaccessible inland lakes when said planes are idle.

6. We understand that there are nets being placed at the mouths of rivers, particularly in the waters of Georgian Bay, contrary to the existing Order-in-Council, and we respectfully request that this be investigated.

7. We recommend that the regulation compelling the employment of Ontario licensed guides by all boats under non-resident ownership, fishing in Ontario waters, be more strictly enforced. (Impossible to enforce, Mr. Nixon said.)

8. We recommend that the pickerel season in Northern Ontario open on May 1st instead of May 15th as at present.

9. We suggest that the cause of conservation would be served in the heavily fished waters of Lake Nipissing and Lake of the Woods, if trolling behind motor-powered boats be prohibited.

C. G. Kingan, Peterborough camp owner, suggested more voluntary game wardens might be used by the Department. He asked for a fish hatchery on Pigeon Lake.

A. Bye, Toronto, a sportsman, lauded recommendations of the Northern Ontario Tourist Trade Association.

J. S. Wilson, Massey, wanted Sunday shooting legalized.

R. H. Burns, Sault Ste. Marie, also favoured shooting on Sunday; he asked that commercial fishing be prohibited on the St. Marys River.

C. D. Howell, president, Georgian Bay Commercial Fishermen's Association, urged a conference of all anglers in an effort to iron out troubles existing between commercial and those who fished for pleasure.

H. M. McCarney, Gananoque, representing Leeds Fishing Game Association, asked Department to limit catch of black bass to five a day.

Joseph S. Thorne, Rice Lake, asked more spawn be put into the waters; he was opposed to legalizing Sunday shooting.

Bert Hay, Victoria Yacht and Anglers' Club, suggested more muskies be placed in the waters in his area.

A. J. Wagg, Manitoulin, was against prohibiting spearing of fish.

B. W. Harvey, Peterborough, recommended Ottawa be asked to co-operate more fully, keeping waters at their proper levels.

Max Humphrey, Hastings, thanked the Department for fish placed in Rice Lake. More tourists were coming to that area and fishing was on the upgrade.

Chairman Miller said Sunday shooting was all right in principle but the general public must be considered. The Minister of the Department stated every effort was always made to appoint good game wardens. He was glad to see so pleasant an attitude as shown by the sportsmen of the Province.

The Committee adjourned at 1.15 p.m. to meet again at the call of the Chair.

## THIRD SITTING

Thursday, April 13th, 1939—10.30 a.m.

Members present were Messrs. Black, Bradley, Campbell (Kent East), Cooper, Croome, Elliott, Guthrie, Haines, Hepburn (Prince Edward-Lennox), Lamport, MacGillvray, Mercer, Miller, Nixon (Brant), Nixon (Temiskaming), Reynolds, Strachan, Miller. Chairman Miller presided.

D. J. Taylor, deputy minister, said due to the various representations there always seemed to be necessity for making changes to the Fish and Game Act and presented to the Committee the changes proposed. With the royalty charged on bears eliminated he believed more United States sportsmen would come to Ontario for the spring hunt.

J. Cooper recommended a fine of \$50 to \$500 for any operator of an airplane caught shipping raw pelts without a permit from the Department. The Committee approved.

Hon. H. C. Nixon, Minister, opposed increase in the penalty for the illegal taking of maskinonge. The penalty was left at from \$10 to \$100, a violator being liable to a fine of \$10 for every fish illegally taken. The Minister explained guns were usually seized from pheasant poachers who were caught. He favoured leaving the fine at \$10 and not increasing it.

The new rule governing leasing of fishing rights on privately owned streams which have been stocked by the Department applies only to new leases, Mr. Taylor, deputy minister, explained.

Mr. Cooper, Sudbury, said all Northern Ontario members of the House favoured legalized Sunday shooting. Next year they would present a petition asking Sunday hunting be made legal. The Lord's Day Alliance, he said, was not opposed to the move.

Chairman Miller stated he approved of Sunday shooting if it was restricted and kept away from areas where villages are located. Feelings of others must be considered, he said.

Mr. Elliott, Peterborough, reported deer were so plentiful in this area they were becoming a traffic menace.

The Committee then adjourned for the Session.





## APPENDIX No. 4

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Revised Rules of the Legislative Assembly as Reported  
by a Select Committee and Adopted by the House,  
Monday, April 3rd, 1939

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Session of 1939



APPENDIX No. 4

Report of the Select Committee on Revision of the Rules

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*To the Honourable the Legislative Assembly of the Province of Ontario:*

GENTLEMEN:

The Select Committee composed of Messrs. Clark, Henry and Hipel, which was appointed during the 1938 Session of this House with power to sit during the Recess for the purpose of considering a proposed revision of the Rules of the House which had been prepared by the Clerk, beg leave to present their report, as follows:—

Your Committee held several meetings and very carefully considered the Rules and the proposed revision with the result that certain additional alterations were made by unanimous vote of the Committee in addition to the amendments submitted by the Clerk. Your Committee feels that the Rules as now submitted to the House will facilitate the conduct of the business of this Assembly.

Your Committee therefore recommends the adoption of the Revised edition of the Rules which is attached to this Report, and that, if so adopted, the new Rules become effective on the First Day of May, 1939.

It is also recommended that the Rules as adopted be printed as an appendix to the Journals of the present Session of the House, and that the Clerk of the Assembly be authorized to have them published in book form for distribution, and that a copy of such book be mailed to each Member of the Assembly.

All of which is respectfully submitted.

JAMES H. CLARK,  
*Chairman.*

October 31st, 1938.

The House resolved itself into a Committee to consider the Report on the revision of the Rules of the House, and, after some time spent therein, Mr. Speaker resumed the Chair; and Mr. Patterson reported, That the Committee had directed him to recommend the adoption of the Report of the Committee with the exception of Section "D" of Rule No. 38, which was deleted.

On motion by Mr. Hipel,

*Ordered,* That the Report be adopted.

April 3rd, 1939.



(NOTE.—Section “D” of Rule No. 38, which was ordered to be deleted, read as follows:—

“(d) If Mr. Speaker or the Chairman of a Committee of the Whole House shall be of the opinion that a Motion for the adjournment of a Debate, or of the House during any Debate, or that the Chairman do report progress, or do leave the Chair, is an abuse of the rules of the House, he may forthwith put the Question thereupon from the Chair, or he may decline to propose the Question thereupon to the House.”)

## RULES, ORDERS AND FORMS OF PROCEDURE OF THE LEGISLATIVE ASSEMBLY

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Adopted by the Assembly, Monday, April 3rd, 1939

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### I.—REGULATION AND MANAGEMENT OF THE HOUSE

1.—(a) The Proceedings in the Legislative Assembly of Ontario, and in all Committees of the Assembly, shall be conducted according to the following Rules and Standing Orders.

(b) In all contingencies unprovided for the Question shall be decided by the Speaker and in making a Ruling the Speaker shall base his decision on:

1st. The Usages and Precedents of this Legislature.

2nd. The Rules, Usages and Forms of the House of Commons of the United Kingdom of Great Britain, as in force at the time.

2. The time for the ordinary meeting of the House is at Three o'clock in the afternoon of each sitting day; and if at that hour there be not a Quorum the Speaker may take the Chair and adjourn. When the House rises on Friday it shall stand adjourned, unless otherwise ordered, until the following Monday.

3. If at the hour of six o'clock p.m. the Business of the Day be not concluded the Speaker shall leave the Chair until Eight o'clock p.m.

4. When the House adjourns the Members shall keep their seats until the Speaker has left the Chair.

5. The presence of at least Twenty Members of the House, including the Speaker, shall be necessary to constitute a meeting of the House for the exercise of its powers.

6. Whenever the Speaker shall adjourn the House for want of a Quorum, the time of the adjournment, and the names of the Members then present, shall be inserted in the Journals.

7. Any stranger admitted to any part of the House or Gallery who shall misconduct himself, or shall not withdraw when strangers are directed to withdraw, while the House or any Committee of the Whole House is sitting, may be taken into custody by the Sergeant-at-Arms on instructions by the Speaker or Chairman and no person so taken into custody is to be discharged without the special order of the House.

8. If any Member takes notice that strangers are present, Mr. Speaker

or the Chairman (as the case may be) shall forthwith put the Question that strangers be ordered to withdraw without permitting any debate or amendment; provided that the Speaker, or the Chairman, may, whenever he thinks proper, order the withdrawal of strangers from any part of the House.

9. No Member of this House shall bring any stranger into any part of the House appropriated to the Members of the House while the House, or a Committee of the Whole House, is sitting.

10. The Speaker shall preserve Order and Decorum, and shall decide questions of Order, subject to an appeal to the House, which shall not be subject of debate. In explaining a point of Order, or Practice, he may state the Rule or Authority applicable to the case.

11. In the case of grave disorder arising in the House the Speaker may, if he thinks it necessary to do so, adjourn the House without Question put, or suspend any Sitting for a time to be named by him.

12. The Speaker shall not take part in any Debate before the House. In case of an equality of Votes, the Speaker gives a casting Voice, and any reasons stated by him are to be entered in the Journals.

13. Whenever the House shall be informed by the Clerk at the Table of the unavoidable absence of Mr. Speaker, the Chairman of the Committee of the Whole House shall perform the duties and exercise the authority of Speaker, in relation to all proceedings of this House, as Deputy Speaker, until such time as Mr. Speaker shall be able to resume his duties.

## II.—RULES OF DEBATE

14. Every Member desiring to speak is to rise in his place, uncovered, and address himself to the Speaker.

15. When two or more Members rise to speak, the Speaker calls upon the Member who rose first in his place; but a motion may be made that any Member who has risen "be now heard" or "do now speak."

16. A Member called to Order shall sit down, but may afterwards explain. The House, if appealed to, shall decide on the case, but without debate. If there be no appeal, the decision of the Chair shall be final.

17.—(a) The Speaker or the Chairman, after having called the attention of the House, or of the Committee, to the conduct of a Member who persists in irrelevance or repetition, may direct him to discontinue his speech, and if the Member still continues to speak the Speaker shall name him, or if in Committee, the Chairman shall report him to the House.

(b) Whenever any Member shall have been named by the Speaker, or by the Chairman of a Committee of the Whole House, immediately after the commission of the offence of disregarding the authority of the Chair, or of abusing the rules of the House by persistently and wilfully obstructing the business of the

House, or otherwise, then, *if the offence has been committed by such Member in the House*, the Speaker shall forthwith put the Question, on a Motion being made, no amendment, adjournment or debate being allowed, "that such Member be suspended from the service of the House;" and, if the offence has been committed in Committee of the Whole House, the Chairman shall forthwith suspend the proceedings of the Committee and report the circumstances to the House; and the Speaker shall, on a Motion being made thereupon, put the same Question, without amendment, adjournment or debate, as if the offence had been committed in the House itself, such suspension shall be for any time stated in the Motion but not to exceed two weeks.

(c) Provided, also, that if any Member, or Members acting jointly, who have been suspended under this order from the service of the House shall refuse to obey the direction of the Speaker, when individually or severally summoned under the Speaker's order by the Sergeant-at-Arms to obey such direction, the Speaker shall call the attention of the House to the fact that recourse to force is necessary in order to compel obedience to his direction, and the Member or Members named by him as having refused to obey his direction shall thereupon and without further Question put, be suspended from the service of the House during the remainder of the Session.

18. No Member shall speak disrespectfully of his Majesty, nor of any of the Royal Family, nor of the Governor, or person administering the Government of Canada, nor of the Lieutenant-Governor of the Province, nor shall he use offensive words against any Member of the House; nor shall he speak beside the question in debate. No Member may reflect upon any Vote of the House, except for the purpose of moving that such a vote be rescinded.

19. When the Question under discussion does not appear on the Order Paper or has not been printed and distributed, any Member may require it to be read at any time of the debate, but not so as to interrupt a Member while speaking.

20. No Member may speak twice to a Question, except in explanation of a material part of his speech in which he may have been misconceived, but then he is not to introduce new matter; he must direct his speech to the Question then under discussion, or to a Motion or Amendment he intends to move, or to a Point of Order. He must not, in debate, stray from the Question before the House to matters which have been decided during the current Session or anticipate a matter appointed for the consideration of the House or of which Notice has been given. A reply is allowed to a Member who has made a substantive Motion to the House, but not to any Member who has moved an Order of the Day, an Amendment, the Previous Question, or an Instruction to a Committee. In all such cases the Speaker shall inform the House that the reply of the Mover of the Original Motion closes the Debate.

### III.—CONDUCT OF MEMBERS

21. No Member is entitled to vote upon any Question in which he has a direct pecuniary interest, and the vote of any Member so interested shall be disallowed.

22. When the Speaker is putting a Question, no Member shall walk out of or



across the House, or make any noise or disturbance; and when a Member is speaking, no Member shall interrupt him except to a Question of Order, nor pass between him and the Chair; and no Member may pass between the Chair and the Table, nor between the Chair and the Mace, when the Mace has been taken off the Table by the Sergeant.

23. Every Member is bound to attend the service of the House, unless leave of absence has been given by the House.

24. If anything shall come in question touching the Return or Election of any Member, he is to withdraw during the time the matter is in debate.

25. If it shall appear that any person hath been elected or returned a Member of this House, or endeavoured to be, by bribery, or any other corrupt practices, this House will proceed with the utmost severity against all such persons as shall have been wilfully concerned in such bribery or corrupt practices.

26. The offer of any money or other advantage to any Member of this House, for the promoting of any matter whatsoever depending or to be transacted in Parliament, is a high crime and misdemeanor, and tends to the subversion of the Constitution.

#### IV.—BUSINESS OF THE HOUSE

27. The Speaker shall read Prayers every day at the Meeting of the House before any business is entered upon.

28.—(a) The ordinary daily Routine of Business of the House shall be as follows:—

Presenting Petitions.  
Reading and Receiving Petitions.  
Presenting Reports of Standing and Select Committees.  
Motions.  
Introduction of Bills.

The Order of Business for the consideration of the House, day by day, after the above Daily Routine, shall be as follows:—

#### MONDAY

Third Readings  
Private Bills  
Questions put by Members  
Notices of Motions  
Public Bills and Orders  
Government Notices of Motions  
Government Orders

## TUESDAY

Third Readings  
Government Notices of Motions  
Government Orders  
Public Bills and Orders  
Questions put by Members  
Other Notices of Motions  
Private Bills

## WEDNESDAY

*(Until the Hour of six o'clock p.m.)*

Third Readings.  
Questions put by Members  
Notices of Motions  
Public Bills and Orders

*(From Eight o'clock p.m.)*

*(For the first hour)* Private Bills  
Public Bills and Orders  
Private Bills  
Government Notices of Motions  
Government Orders

## THURSDAY

Third Readings  
Government Notices of Motions  
Government Orders  
Public Bills and Orders  
Questions put by Members  
Other Notices of Motions  
Private Bills

## FRIDAY

*(Until the Hour of six o'clock p.m.)*

Third Readings  
Questions put by Members  
Notices of Motions  
Public Bills and Orders

*(From Eight o'clock p.m.)*

*(For the first hour)* Private Bills  
Public Bills and Orders  
Government Notices of Motions  
Government Orders

(b) Orders for the day for the Third Reading of Bills shall take precedence of all other Orders for the same day, except Government Orders, or Orders to which the House has given priority.

29. Reports received from Committee of the Whole House shall be placed on the Orders of the Day next after Third Readings; and Bills reported from Committees of the Whole House, with amendments, shall be placed on the Order of the Day for consideration by the House next after Reports from Committee of the Whole House.

30. Bills reported, after Second Reading, from any Standing or Select Committee, shall be placed on the Orders of the Day, following the reception of the Report, for reference to a Committee of the Whole House, in their proper order, next after Bills reported from Committee of the Whole House and Bills ordered by the House for reference to a Committee of the Whole House shall be placed, for such reference, on the Orders of the Day following the Order of Reference, in their proper order, next after Bills reported from any Standing or Select Committee.

31. All items standing on the Orders of the Day shall be taken up according to the precedence assigned to each on the Order Book, the right being reserved to the administration of taking up Government Orders, in such rotation as they see fit, on the days on which Government bills have precedence.

32.—(a) Notices of Motions by Members, not taken up when called may be allowed to stand and retain their precedence.

(b) Orders not proceeded with when called may be allowed to stand, retaining their precedence.

33. All Orders undisposed of at the adjournment of the House shall be postponed until the next Sitting Day, without a motion to that effect.

34. If, at the hour of six p.m. on a Wednesday or Friday, a Motion on the Notice Paper be under consideration, that question will stand first on the Orders of that evening after the hour assigned to Private Bills has elapsed unless otherwise ordered.

35. If, at the time of the adjournment of the House, a Motion on the Notice Paper be under consideration, that question shall stand first on the Orders of the following day in its proper section next after Orders to which a special precedence has been assigned by Rule or Order of the House.

36. A Motion for Reading the Orders of the day shall have preference of any Motion before the House.

#### V.—QUESTIONS PUT BY MEMBERS

37. —(a) Questions may be put to Ministers of the Crown relating to Public Affairs; and to other Members relating to any Bill, Motion, or other public matter connected with the business of the House in which such Members may be con-

cerned,—but, in putting any such question, no argument or opinion is to be offered, nor any fact stated; and, in answering any such question, a Member is not to debate the matter to which the same refers.

(b) Such Questions and the Replies thereto shall be in writing and shall be entered in the Journals.

(c) Whenever any Question requires, by way of Reply thereto, any statement of facts or records or statistics of a lengthy or voluminous nature or other material which, in the opinion of the Minister whose Department is concerned, should be made the subject of a Return, the Minister may, instead of answering such Question, require a motion to be made for a Return.

## VI.—MOTIONS AND QUESTIONS

38.—(a) A Motion to adjourn the House or the Debate shall always be in order, except that no such motion for the adjournment of the House shall be made until the Orders of the Day or Notices of Motion have been entered upon, without the leave of the House, unless a Member rising in his place shall propose to move the adjournment of the House for the purpose of discussing a definite matter of urgent public importance, which matter has previously been submitted to, and approved by, the Speaker. No Member shall speak to such Motion for more than ten minutes.

(b) When a Motion for the immediate adjournment of the House has been negatived, no other such Motion shall be made until after some intermediate proceeding shall have been had.

(c) When a Motion is made for the adjournment of a Debate or of the House during any Debate, or that the Chairman of a Committee do report progress, or do leave the Chair, the Debate thereupon shall be confined to the matter of such Motion; and no Member, having moved or seconded any such Motion, shall be entitled to move or second any similar Motion during the same Debate.

39.—(a) Two days' Notice shall be given of a Motion for leave to present a Bill, Resolution or Address; for the appointment of any Committee; or for the putting of a Question; but this Rule shall not apply to Bills after their introduction, or to Private Bills, or to the times of the meeting or adjournment of the House; such Notices to be laid on the Table before five o'clock p.m., and to be printed in the Votes and Proceedings of that day.

(b) This rule shall not affect the right of the Government to introduce one Bill on the opening day of the Session according to ancient custom.

40. A Motion may, in case of urgent and pressing necessity explained by the Mover, be made, by unanimous consent of the House, without notice having been given under Standing Order No. 39.

41. All Motions shall be in writing, and seconded, before being debated, or put from the Chair. When a Motion is seconded, it shall be read by the Speaker before debate. No Motion shall be prefaced by recitals or preambles.



42. Only one amendment may be made to a Motion for the Speaker to leave the Chair for the House to go into Committee of Supply or Ways and Means.

43. A Member who has made a Motion may withdraw the same with the unanimous consent of the House.

44.—(a) When a Private Member's Notice of Motion shall have been twice called from the Chair and not proceeded with, it shall be dropped, provided that it may be placed at the foot of the list on the Order Paper upon Motion made after due notice.

(b) If the Notice of Motion thus restored is again called from the Chair and not proceeded with it shall be withdrawn from the Order.

(c) No Member shall have more than one Notice of Motion standing on the Order Paper at one time.

(d) This Standing Order shall not apply to Notices of Motion for the Production of Papers.

45. The Previous Question, until it is decided, shall preclude all amendment of the Main Question, and shall be in the following words:—

“That this Question be now put.”

Unless it shall appear to the Chair that such Motion is an abuse of the Rules of the House or an infringement of the rights of the minority the Question shall be put forthwith and decided without amendment or debate. If the Previous Question be resolved in the affirmative, the Original Question is to be put forthwith, without any amendment or debate.

46. A Motion to Commit a Bill, or Question, until decided, shall preclude all amendment of the Main Question.

47. Whenever the Speaker is of the opinion that a Motion offered to the House is contrary to the Rules and Privileges of Parliament, he shall apprise the House thereof immediately, before putting the Question thereon, and may quote the Rule or Authority applicable to the case.

48. A Prorogation of the House shall not have the effect of nullifying an Order or Address of the House for Returns or Papers, but all Papers and Returns ordered at one Session of the House, if not complied with during the Session, shall be brought down during the following Session without renewal of the Order.

49. No Motion, or Amendment, the subject matter of which has been decided upon, can be again proposed during the same Session.

## VII.—PRIVILEGE

50. Whenever any matter of Privilege arises, it shall be taken into consideration immediately.

## VIII.—VOTES AND PROCEEDINGS

51. A Copy of the Votes and Proceedings of the House of each day, certified by the Clerk, shall be delivered to the Lieutenant-Governor on the following day.

## IX.—PROCEEDINGS ON PUBLIC BILLS

52. Every Bill shall be introduced upon Motion for leave, specifying the Title of the Bill, or upon Motion to appoint a Committee to prepare and bring it in.

53. No Bill may be introduced either in blank or in an imperfect shape.

54. When any Bill shall be presented by a Member, in pursuance of an Order of the House, the Question "That this Bill be now read a first time," shall be decided without amendment or debate.

55. Except by unanimous consent of the House, no Bill shall be read the second time until it has been printed and distributed, and has been subsequently marked on the Orders of the Day—thus, *printed* (signifying that it has been printed and distributed).

56. If on an amendment to the Question that a Bill be now read a second time or the third time, it is decided that the word "now" or any words proposed to be left out stand part of the Question, Mr. Speaker shall forthwith declare the Bill to be read a second or the third time, as the case may be.

57. When a Bill has been amended in Committee of the Whole House, or by any Select or Standing Committee, it shall be reprinted, in whole or in part as the Clerk of the House may direct, as amended; the amendments to be in Italics; and when the Bill has been sent to be reprinted, it shall be marked on the Orders of the Day, thus, *Not Reprinted*; and shall not be further proceeded with until that mark has been removed and the word *Reprinted* substituted (signifying that the Bill has been reprinted and distributed).

58. Every Bill shall receive three several readings, on different days, previously to being passed. On urgent or extraordinary occasions a Bill may be read twice or thrice or advanced two or more stages in one day.

59. When a Bill is read in the House, the Clerk shall certify upon it the Readings, and the time thereof. After it has passed, he shall certify the same, with the date at the foot of the Bill.

60. Every Public Bill shall be read twice in the House before committal or amendment. No Public Bill purporting to amend the Municipal or the Assessment Acts shall, without the unanimous consent of the House, be introduced after the expiration of five weeks from the opening of the Session, but this shall not apply to any such Bill which is a Government measure.

61. In proceedings in Committee of the Whole House upon Bills, the Pre-

amble shall be first postponed, and then every clause considered by the Committee in its proper order, the Preamble and Title to be last considered.

62. All amendments made in Committee shall be reported by the Chairman to the House which shall receive the same forthwith. After report, the Bill shall be open to debate and amendment, before it is ordered for a Third Reading. But when a Bill is reported without amendment it is forthwith ordered to be read a Third time, at such time as may be appointed by the House.

#### X.—PRIVATE BILLS

63.—(1) No petition for any Private Bill is received by the House after the first two weeks of each Session; nor may any Private Bill be presented to the House after the first three weeks of each Session; nor may any report of any Standing or Select Committee upon a Private Bill be received after the first six weeks of each Session. And no Motion for the general suspension or modification of this Rule shall be entertained by the House, unless after reference made thereof, at a previous Sitting of the House, to the several Standing Committees charged with consideration of Private Bills, or upon report submitted by two or more of such Committees.

(2) Except with the unanimous consent of the House, no petition for a Private Bill shall be received by nor shall any Bill be introduced in the House, the purpose of which is to admit any person to the practice of law or medicine or any other profession contrary to the laws governing and the rules and regulations of the Law Society of Upper Canada as regards the practice of law, or the laws governing and the rules and regulations of the Colleges and Universities incorporated under the laws of this Province as regards other professions for graduation in which proper courses of study and qualifications are prescribed by such Colleges and Universities.

64.—(1) Any person desiring to obtain a Private Bill shall deposit with the Clerk of the House at least eight (8) days before the meeting of the House, a copy of such Bill, together with a fee of \$150, and if such Bill is not deposited by that time the applicant shall pay \$10 for each and every day which intervenes between the said eighth day and the date of the filing of the Bill.

(2) After the first reading of the Bill, and before its consideration by the Committee to which it is referred, the applicant in every case shall pay the cost of printing the Act in the Statutes.

(3) The following charges shall also be levied and paid in addition to the foregoing:—

- (a) When any Rule of the House is suspended with reference to a Bill or the Petition therefor: for each such suspension . . . . . \$ 50.00
- (b) When a Bill is presented to the House after the first three weeks of the Session and before the end of the fourth week . . . . . 75.00
- (c) When a Bill is presented to the House after the fourth week of the Session . . . . . 100.00



(4) In the case of any Bill incorporating a company, or increasing the capital stock of a company already incorporated, there shall be paid to the Clerk of the House, by or on behalf of the applicant, before the same is reported to the House, the same fee as would be payable to the Provincial Secretary in the case of an incorporation or increase of capital under the provisions of the Ontario Companies Act, less the sum of \$150.00 already paid to the Clerk of the House.

(5) When a Bill is for the purpose of confirming by-laws, bonds, debentures or other securities, or authority is asked to borrow money or to increase borrowing powers, the following additional fees shall be paid according to the amount of money involved:—

On amounts less than \$10,000.....	\$ 25.00
On amounts over \$10,000 and up to \$25,000.....	50 00
On amounts over \$25,000 and up to \$40,000.....	75 00
On amounts over \$40,000 and up to \$75 000.....	100 00
On amounts over \$75,000 and up to \$125,000.....	125 00
On amounts over \$125,000 and up to \$175,000.....	150 00
On amounts over \$175,000 and up to \$250,000.....	200.00
On amounts over \$250,000 and up to \$350,000.....	250.00

and an additional fee of \$50 for every \$100,000 over \$350,000.

65. The Clerk of the House shall, during each recess of Parliament, publish weekly in the *Ontario Gazette* the Rules respecting Notices of intended applications for Private Bills; and shall also, immediately after the issue of the Proclamation convening Parliament for the Despatch of Business, publish in the *Ontario Gazette* until the opening of Parliament, the day on which the time limit for receiving petitions for Private Bills will expire, pursuant to the foregoing Rule; and the Clerk shall also announce, by Notice affixed in the Committee Rooms and Lobbies of the House, by the first day of every Session the time limit for receiving Petitions for Private Bills and Reports thereon and for the introduction of Bills to amend the Municipal Act or the Assessment Act.

66. All applications for Private Bills properly the subject of legislation by the Legislative Assembly of Ontario, within the purview of "The British North America Act, 1867," shall require a notice, clearly and distinctly specifying the nature and object of the application, and, where the application refers to any proposed work, indicating generally the location of the work, and signed by or on behalf of the applicants, such notice to be published as follows, namely:—

A Notice inserted in the *Ontario Gazette* and in one newspaper published in the Municipality affected, or if there be no newspaper published therein, then in a newspaper in the next nearest Municipality in which a newspaper is published.

Such notice shall be continued in each case for a period of at least six weeks, during the interval of time between the close of the next preceding Session and the consideration of the petition.

If the application is by a municipal corporation for authority to issue debentures the notice shall set out the particulars of the existing debenture debt and the amount of the rateable property of the Municipality according to the last revised



Assessment Roll of the Corporation and in brief and general terms, the object for which the new issue of debentures is required.

67. Before any Petition praying for leave to bring in a Private Bill for the erection of a Toll-Bridge is received by the House, the person or persons intending to petition for such Bill shall, upon giving the Notice required by the preceding Rule, also at the same time and in the same manner, give notice of the rates which they intend to ask, the extent of the privilege, the height of the arches, the interval between the abutments or piers for the passage of rafts and vessels, and mentioning also whether they intend to erect a drawbridge or not, and the dimensions of the same.

68. Before any petition praying for leave to bring in a Bill for the construction of Railways, Tramways, or Canals, is received by the House, the person or persons petitioning for such Bill shall deposit with the Clerk the following documents:—

- (1) A Map or Plan upon a scale of not less than half an inch to the mile showing the location upon which it is intended to construct the proposed work, and showing also the lines of existing or authorized works of a similar character within, or in any way affecting the district or any part thereof which the proposed work is intended to serve. Such map or plan to be signed by the Engineer or other party making the same.
- (2) A Book of Reference, in which shall be clearly set out the following information, in separate Schedules, namely:

Schedule A.—The name of each Municipality within which the proposed works or any part thereof, are intended to be constructed; the population of each such Municipality, as returned by the next preceding census; the rateable value of the property within each such Municipality, as returned by the next preceding assessment rolls thereof; and this Schedule may contain in a separate statement similar information as to the adjoining districts intended to be served by the proposed work.

Schedule B.—A general description of the nature, extent and proposed character of the contemplated works, and an estimate of the probable cost thereof, distinguishing the general items of construction, and the cost thereof respectively, as well as the nature, extent and probable cost of all engines and car stock, or other outfit or equipment necessary to the use and operation of the proposed undertaking, such Schedule to be signed by the Engineer or other person preparing the same.

Schedule C.—An exhibit showing the total amount of capital proposed to be raised for the purposes of the undertaking, and the manner in which it is proposed to raise the same, whether by ordinary shares, bonds, debentures, or other securities, and the amount of each respectively. Such Schedule to be signed by the person preparing the same.

Schedule D.—An estimate of the probable revenues of the proposed undertaking, showing the sources whence the same are expected to be derived; the annual earnings thereof respectively; the probable annual cost of operation or working expenditure; and the annual net revenue applicable to the payment of interest on the proposed investments. Such Schedule to be signed by the person preparing the same.

69.—(a) Petitions for Private Bills, when received by the House, are to be taken into consideration (without special reference) by the Committee on Standing Orders; which is to report, in each case, whether the Rules with regard to Notice have been complied with; and in every case where the notice shall prove to have been insufficient, either as regards the petition as a whole, or any matter therein which ought to have been especially referred to in the Notice, the Committee is to recommend to the House the course to be taken in consequence of such insufficiency of Notice.

(b) The promoters of any Private Bill shall lodge with the Clerk of the House a statement as to the compliance by them with the Standing Orders of the House, in relation to such Bill, on or before the first day of each Session.

(c) A copy of the Petition intended to be presented to the House, praying for the passage of any Private Bill, shall be lodged, on or before the first day of each Session, with the Clerk of the House, who shall file the same in his office and shall prepare for the Committee on Standing Orders, at the first meeting thereof, a report in which he shall state the result of his examination into the facts required to be proved before the Committee, relating to the compliance or non-compliance with the Standing Orders of the House.

(d) The Committee may determine, upon the facts so reported, or certified by the Clerk, whether the Standing Orders have been complied with in respect to each Petition, and whether the Standing Orders ought or ought not to be dispensed with, and shall report the same to the House.

70. Except by unanimous consent of the House, no Motion for the Suspension of the Rules upon any Petition for a Private Bill is entertained, unless the same has been reported upon by the Committee on Standing Orders.

71. All Private Bills are introduced on Petition and presented to the House upon Motion for leave, and after such Petition has been favourably reported on by the Committee on Standing Orders.

72. When any Bill for confirming any Letters Patent, or Agreement, is presented to the House, the copy of such Letters Patent, or Agreement, shall be attached to it.

73. The expenses and costs attending on Private Bills giving any exclusive privilege, or for any object of profit, or private, corporate or individual advantages; or for amending, extending or enlarging any former Acts, in such manner as to confer additional powers, ought not to fall on the public; accordingly, the parties seeking to obtain any such Bill shall be required to pay the sum of one hundred and fifty dollars, as provided by Rule 64-1. And in case of any Bill incorporating a Company, or increasing the capital stock of a company already

incorporated, there shall be paid to the Clerk of the House by or on behalf of the applicant, before the same is reported to the House, the same fee as would be payable to the Provincial Secretary, in the case of an incorporation or increase of capital under the provisions of the Ontario Companies Act, less the sum of \$150.00 already paid to the Clerk of the House under the said Rule 64—1.

74. Every Private Bill, when read a first time, shall, unless it be an Estate Bill, or a Bill providing for a consolidation of a floating debt or for the consolidation or renewal of debentures (other than local improvement debentures) of a municipal corporation, stand referred to the proper Standing Committee, and all Petitions before the House, for or against the Bill, are considered as referred to such Committee.

75. Every Private Bill, in so far as it provides for the consolidation of a floating debt or for the consolidation or renewal of debentures (other than local improvement debentures) of a municipal corporation, when the Bill has been read a first time, shall without special reference stand referred to the Ontario Municipal Board for their Report; and a copy of such Bill and of the Petition on which the same is founded shall be forthwith transmitted by the Clerk of the House to the Board in order that the Board may, after an inquiry into the allegations set out in the Bill and into any other matters which the Board may deem necessary in connection therewith, report to the House whether or not it is reasonable that such Bill or the part thereof relating to the matters aforesaid, should be passed, and what alterations, if any, should be made in the same, and the Board shall make such inquiry accordingly and shall sign the same; and the said Report, Bill and Petition shall be transmitted to the Clerk and the Report shall be read by the Clerk at the Table and shall be entered on the Journals of the House, and the Bill, together with the Report, shall stand referred to the Standing Committee on Private Bills.

76. Every Estate Bill, when read a first time, shall, without special reference, stand referred to the Commissioners of Estate Bills for their Report; and a copy of such Bill, and of the Petition on which the same is founded, shall be forthwith transmitted by the Clerk of the House to the said Commissioners, or one of them, in order that they, or any two of them, may, without requiring any proof of the allegations thereof, report to the House their opinion thereon under their hands; and whether, presuming the allegations contained in the preamble to be proved to the satisfaction of the House, it is reasonable that such Bill do pass into a law; and whether the provisions thereof are proper for carrying its purposes into effect; and what alterations or amendments, if any, are necessary in the same; and in the event of their approving the said Bill, they are to sign the same; and the said Report, with the said Bill and Petition, are to be transmitted by the said Commissioners to the Clerk; and the report shall be read by the Clerk at the Table, and shall be entered on the Journals of the House; and the Bill, together with the Report, shall stand referred to the Standing Committee on Private Bills, which is not to consider the said Bill, before the delivery of the said Report, Bill and Petition to the Chairman of the said Committee.

77. In the event of the Commissioners of Estate Bills reporting that, in their opinion, it is not reasonable that the Bill submitted to them shall pass into law, such Bill shall not be further considered.



78.—(a) Except with the unanimous consent of the House no Committee on any Private Bill, of which notice is required to be given, is to consider the same until such Bill has been printed and distributed to the Members and five days' clear Notice of the sitting of such Committee has been affixed in the Lobby. And no Motion for any suspension or modification of this Rule shall be entertained by the House, unless after reference made thereof, at a previous Sitting of the House, to the Proper Standing Committee, or upon Report submitted by such Committee.

(b) On the day of posting of any Bill under this Rule, the Clerk of the House shall append to the printed Votes and Proceedings of the Day a Notice of such posting; and also a Notice of Meetings of any of the Standing Committees charged with the consideration of Private Bills or Petitions therefor, that may have been appointed for the following day.

79. A copy of the Bill containing the Amendments proposed to be submitted to the Standing Committee shall be deposited in the office of the Clerk of the House two clear days before the Meeting of the Committee thereon.

80. All persons whose interest or property may be affected by any Private Bill shall, when required to do so, appear before the Standing Committee, touching their consent, or may send such consent in writing, proof of which may be demanded by such Committee. And in every case the Committee upon any Bill for incorporating a Company may require proof that the persons whose names appear in the Bill as composing the Company are of full age and in a position to effect the objects contemplated, and have consented to become incorporated.

81. All questions before the Committee on Private Bills are decided by a majority of voices, including the voice of the Chairman; and whenever the voices are equal the Chairman has a second or casting vote.

82. It is the duty of a Select Committee to which any Private Bill may be referred by the House to call the attention of the House specially to any provision inserted in such Bill that does not appear to have been contemplated in the Notice for the same, as reported upon by the Committee on Standing Orders.

83. The Committee to which a Private Bill may have been referred shall report the same to the House in every case; and when any material alteration has been made in the Preamble of the Bill such alteration is to be stated in the Report.

84.—(a) When the Committee on any Private Bill reports to the House that the Preamble of such Bill has not been proved to its satisfaction, the grounds upon which such a decision has been based must also be stated; and no Bill so reported upon shall be placed upon the Orders of the Day unless by special order of the House.

(b) Private Bills, otherwise reported to the House by such Committee, shall be placed upon the Orders of the Day following the reception of the Report, for a Second Reading in their proper order.

85. The Chairman of the Committee shall sign with his name at length,



a printed copy of the Bill, on which the amendments are fairly written, and shall also sign, with the initials of his name, the several amendments made and clauses added in Committee, which shall be filed in the office of the Clerk of the House; and another Bill, with the amendments written thereon, shall be prepared by the Clerk of the Committee and attached to the Report.

86. Private Bills amended by any Committee may be reprinted by order of such Committee; or after being reported, and before consideration by Committee of the Whole House, may be reprinted in whole or in part as the Clerk of the House may direct; and the cost of such reprinting shall be added to the cost of the first printing of the Bill and shall be payable by the promoter of the same.

87. No important Amendment may be proposed to any Private Bill in a Committee of the Whole House, or at the Third Reading of the Bill, unless two days' notice of the same shall have been given.

88. Except by consent of the House, in case of urgent and pressing necessity, no Motion may be made to dispense with any Standing Order relative to Private Bills, without due notice thereof.

89. A Book to be called the Private Bill Register, shall be kept in the office of the Clerk of the House, in which Book shall be entered, by the Clerk appointed for that purpose, the name, description, and place of residence of the parties applying for the Bill, or of their Agent, and all the proceedings thereon, from the Petition to the passing of the Bill; such entry to specify briefly each proceeding in the House, or in any Committee to which the Bill or Petition may be referred, and the day on which the Committee is appointed to sit, such Book to be open to public inspection daily, during office hours.

90. The Clerk of the House shall prepare, daily, lists of all Private Bills and Petitions for such Bills, upon which any Committee is appointed to sit, specifying the time of meeting and the room where the Committee shall sit; and the same shall be hung in the Lobby.

91. Every Parliamentary Agent conducting Proceedings before the House shall be personally responsible to the House and to the Speaker, for the observance of the Rules, Orders and Practice of Parliament, and Rules prescribed by the Speaker, and also for the payment of all fees and charges; and he shall not act as Parliamentary Agent until he shall have received the express sanction and authority of the Speaker, who may revoke the same at pleasure.

92. Any Agent who shall wilfully act in violation of the Rules and Practices of Parliament, or any Rules prescribed by the Speaker, or who shall wilfully misconduct himself in prosecuting any proceedings before the House, shall be liable to an absolute or temporary prohibition to practise as a Parliamentary Agent, at the pleasure of the Speaker.

#### XI.—COMMITTEES.

93. The Clerk of the House shall cause to be affixed, in some conspicuous place adjacent to the House, a list of the several Standing and Select Committees appointed during the Session.

94. There shall be appointed in each Session a Permanent Chairman of Committees of the Whole House, who, when the Speaker leaves the Chair, shall, if present, preside over and maintain order in the Committee.

95. In the absence of the Chairman of the Committee of the Whole House Mr. Speaker may, in forming a Committee of the Whole House, before leaving the Chair, appoint any Member to be Chairman of the Committee.

96.—(a) The Standing Orders of the House shall be observed in Committee of the Whole House so far as may be applicable, except the Standing Orders as to the seconding of Motions and limiting the Number of times of Speaking.

(b) Speeches in Committee of the Whole House must be strictly relevant to the item or clause under consideration.

(c) The Chairman shall maintain order in Committee of the Whole House, deciding all questions of order subject to an appeal to the House; but disorder in a Committee can only be censured by the House on receiving a report thereof.

97.—(a) A Motion that the Chairman leave the Chair shall always be in order, shall take precedence of any other Motion, and shall not be debatable.

(b) Such Motion, if rejected, cannot be renewed unless some intermediate proceeding has taken place.

98. Bills which may be on the Order of the Day for consideration in Committee on the same day, may be referred together to a Committee of the Whole House, which may consider all the Bills so referred to it without the Chairman leaving the Chair on each separate Bill.

99. It shall be an instruction to all Committees of the Whole House to which Bills may be committed that they have the power to make such amendments therein as they shall think fit, provided they be relevant to the subject matter of the Bill; but if any such amendments shall not be within the Title of the Bill they shall amend the Title accordingly and shall report the same to the House.

100. If a Motion to recommit a Bill be opposed no Member shall speak thereon for a longer period than ten minutes.

101. Select Committees of the House consisting of not more than fifteen Members may be appointed for any particular purpose or to consider any matter referred to them.

The Member moving for the appointment of such Select Committee may submit in his Motion the names of the Members proposed to form the Committee, and such Motion shall be susceptible of amendment in the same manner as any other Motion.

102.—(a) Of the number of Members appointed to compose a Committee, a majority of the same shall be a Quorum, unless the House has otherwise ordered.

(b) The names of Members attending each Committee shall be entered by

the Committee Clerk in the Minutes and when a division takes place the Clerk shall take down the names of the Members, distinguishing on which side of the question they respectively vote.

103. Reports from Standing and Select Committees may be presented by Members standing in their places, and without proceeding to the Bar of the House.

104. The Special Committee to prepare and report lists of Members to compose the Standing Committees of the House, and the said several Standing Committees, may be appointed, and thereafter may proceed to organize and sit, and report at any time after an Address to His Honour the Lieutenant-Governor in reply to the Speech shall have been moved in the House, although the Debate on such Address may not have been concluded.

## XII.—WITNESSES

105. The Clerk of the House is authorized to pay, out of the Contingent Fund, to witnesses summoned to attend before any Select Committee of the House, except in the case of Private Bills, a reasonable sum per diem, to be determined by the Speaker, during their attendance and a reasonable allowance for travelling expenses, upon a certificate or order of the Chairman of the Committee before which such witnesses have been summoned; but no payment shall be made in any case without the authority of the Speaker, and when any witness shall have been in attendance during three days, if his presence is still further required, recourse shall again be had to the Chairman of the Committee and so on every three days.

## XIII.—DIVISIONS

106. When Members have been called in, preparatory to a Division, no further debate is to be permitted.

107.—(a) Upon a Division, the Yeas and Nays shall not be entered upon the Minutes, unless demanded by five Members; and on Questions of adjournment of the House, or of the Debate, the numbers only shall be entered.

(b) On the Question being put every Member in the Chamber, with the exception of the Speaker, must record his vote.

(c) When the Yeas and Nays are taken, the Clerk shall enter upon the Votes and Proceedings, the Pairs, as may be declared (if any), and they shall also be entered in the Journals, and Pairs may be declared immediately after a vote.

## XIV.—PETITIONS

108.—(a) A Petition to the House may be presented by a Member at any time during the Sitting of the House by filing the same with the Clerk of the House.

(b) Any Member desiring to present a Petition from his place in the House must do so during Routine Proceedings under the Heading of "Presenting Petitions."



(c) Members presenting Petitions must be answerable that they do not contain any impertinent or improper matter.

109. Every Member offering to present a Petition to the House, shall endorse his name thereupon, and confine himself to a statement of the parties from whom it came, the number of signatures attached to it, and the material allegations it contains. Petitions may be either written or printed; provided always that the signatures of at least three petitioners are subscribed on the sheet containing the prayer of the petition, except in the case of a single petitioner, or a corporation; and no petition which is a copy only of an original may be presented or received, nor shall typewritten names be accepted as signatures upon any petition. And no petition shall be signed by a solicitor for the parties where they reside in the Province unless in case of actual absence, or illness, where the solicitor holds a Power of Attorney which shall be produced to the Clerk of the House if required.

110. No petition can be received which prays for any expenditure, grant or charge on the public revenue, whether payable out of the Consolidated Revenue Fund, or out of moneys to be provided by the House.

111. Every Petition not containing matter in breach of the Privileges of the House and which, according to the Rules of practice of the House, can be received is brought to the Table by direction of the Speaker, who cannot allow any debate, or any Member to speak upon, or in relation to, such Petition; but it may be read by the Clerk at the Table if required; or if it complain of some present personal grievance, requiring an immediate remedy, the matter contained therein may be brought into immediate discussion.

## XV.—AID AND SUPPLY

112. (By the 54th Section of the Imperial Act, 30 Vict., c. 3, "the British North America Act, 1867," it is provided that the House shall not adopt or pass any Vote, Resolution, Address or Bill for the appropriation of any part of the Public Revenue, or of any Tax or Impost, to any purpose that has not been first recommended by a message of the Lieutenant-Governor in the Session in which such Vote, Resolution, Address or Bill is proposed.)

113. If any motion be made in the House for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned till such further day as the House shall think fit to appoint; and then it shall be referred to a Committee of the Whole House, before any resolution or vote of the House do pass thereupon.

114. The Committee of Supply and of Ways and Means are appointed on motion, without previous notice, at the commencement of each Session, as soon as an Address has been agreed to in answer to the Speech of the Lieutenant-Governor.

## XVI.—OFFICERS AND SERVANTS OF THE HOUSE

115. The Hours of attendance of the respective officers of the House, and the extra clerks employed during the Session, shall be fixed from time to time by the Speaker.



116. Before filling any vacancy in the service of the House by the Speaker, inquiry shall be made touching the necessity for the continuance of such office; and the amount of salary to be attached to the same shall be fixed by the Speaker, subject to the approval of the House.

117. No Clerk or Messenger shall be employed, nor any new appointment made, until the Clerk of the House shall have set forth the necessity for such appointment, and shall have delivered such requisition to the Speaker endorsed with his recommendation and approval.

118. It shall be the duty of all the Permanent Officers of this House to complete and finish the work remaining at the close of the Session.

119. The Clerk of the House shall be in charge of all matters pertaining to the House and of Legislation, under the direction of the Speaker. He shall be responsible for the safe keeping of all the Papers and Records of the House, and shall have direction and control of all the officers and clerks and all other employees of the House subject to such orders as he may from time to time receive from the Speaker of the House.

120. The Clerk of the House shall appoint a Clerk in his office whose duty it shall be under the Clerk's direction:—

- (a) To call together all Standing and Select Committees of the House.
- (b) To keep the Private Bills Register.
- (c) To act as Clerk of the Railway Committee and the Standing Orders Committee.
- (d) To perform such matters of routine as may be assigned to him.

121.—(a) The Clerk of the House shall place on the Speaker's Table, every morning, previous to the meeting of the House, the Order of the proceedings for the day.

(b) The Clerk shall see to the printing of the Votes and Proceedings and the Journals of the House and shall be responsible for the proper indexing of both.

122.—(a) The Clerk Assistant shall assist the Clerk of the House in his duties at the Table and elsewhere as may be directed by the Clerk.

(b) In the absence of the Clerk of the House, the Clerk Assistant shall, ex-officio, perform the duties of the Clerk.

123.—(1) It shall be the duty of the Legislative Counsel and Law Clerk of Public Bills as the Senior Officer:

- (a) To prepare and advise upon such legislation as may be required by the Executive Council or any Member thereof.

- (b) To revise, print and put marginal notes on all Public Bills except those to amend the Municipal or Assessment Acts and those usually referred to the Municipal Committee and generally to be responsible for the correctness of all such Bills in their various stages.
- (c) To report to the Lieutenant-Governor in Council any provisions in such Public Bills deserving of special attention or which appear to prejudicially affect the public interest or which require amendment.
- (d) To be present when required on the floor of the House when a Public Bill, other than one to amend the Municipal or Assessment Act, or one referred to the Municipal Committee, is in Committee of the Whole House and to revise and certify every such Bill before the Third Reading.
- (e) To act as Secretary of the Legal Committee and when the Municipal and Private Bills Committees are sitting at the same time, of the Private Bills Committee.
- (f) To prepare after the Close of the Session an index of the Public Acts for the Annual Volume of Statutes.
- (g) To prepare and hand to the Clerk of the House resolutions under any sections of such Bills which appropriate any part of the public revenue or any tax or impost to any purpose.

(2) It shall be the duty of the Municipal Legislative Counsel and Law Clerk of Private and Municipal Bills:

- (a) To revise, print and put marginal notes upon all Private Bills, Bills to amend the Municipal or Assessment Act and Bills usually referred to the Municipal Committee and generally to be responsible for the correctness of all such Bills in their various stages.
- (b) To examine every Private Bill, every Bill to amend the Municipal or Assessment Act and every Bill usually referred to the Municipal Committee, and if the Bill contains any manifest error or impropriety to communicate with the promoter thereof with a view to its correction before printing.
- (c) To report to the Chairman of the Private Bills Committee any provisions in Private Bills which are at variance with general Acts on the subjects to which such Bills relate or with the usual provisions of Private Acts on similar subjects and any provisions deserving of special attention.
- (d) To report to the Chairman of the Municipal Committee on all Bills to amend the Municipal or the Assessment Act or which may be referred to that Committee.
- (e) To act as Secretary of the Private Bills Committee and the Municipal Committee.
- (f) To be present when required on the floor of the House when any Private

Bill or a Bill to amend the Municipal Act or Assessment Act or a Bill referred to the Municipal Committee is in Committee of the Whole House and to revise and certify every such Bill before the Third Reading.

- (g) To see that the annual volume of the Statutes is prepared and printed within thirty days after the close of the Session.
- (h) To prepare and hand to the Clerk of the House, resolutions under any sections of such Bills which appropriate any part of the public revenue or any tax or impost to any purpose.
- (i) To report to the Clerk of the House any Bills which should be referred to the Ontario Municipal Board or the Commissioners of Estate Bills under Rules 75 and 76.

124. The Sergeant-at-Arms attending the House shall be responsible for the safe keeping of the Mace, Furniture and Fittings thereof.

125. No stranger who shall have been committed by order of the House to the custody of the Sergeant-at-Arms shall be released from such custody until he has paid a fee of four dollars to the Sergeant-at-Arms.

126. In case of the absence of the Sergeant-at-Arms, his duties shall be performed by any other person appointed by the Speaker.

127. No allowance shall be made to any person in the employ of the House who may not reside at the seat of Government, for travelling expenses in coming to attend his duties.

## XVII.—LIBRARY

128. A proper Catalogue of the Books belonging to the Library shall be kept by the Librarian, or person in whom the custody and responsibility thereof shall be vested, and who shall be required to report to the House, through the Speaker, at the opening of each Session, the actual state of the Library.

129. No person shall be entitled to resort to the Library during the Session of Parliament, except the Lieutenant-Governor, the Members of the Executive Council and Legislative Assembly, and the Officers of the House, and such other persons as may receive a written order of admission from the Speaker. Members may personally introduce strangers to the Library during the day time, but not after the Hour of six o'clock p.m.

130. During the Session of Parliament, no books belonging to the Library shall be taken out of the building, except by the authority of the Speaker, or upon receipt given by a Member of the House.

131. During the Session, the Library shall be open daily from nine o'clock a.m. until nine o'clock p.m. and should the House remain in Session after such hour, the Library shall remain open until the House adjourns.

132. During the Recess of Parliament, the Library shall be open every

day in each week, Sundays and Holidays excepted, from the hour of ten in the morning until four in the afternoon, and access to the Library shall be permitted to persons introduced by a Member of the Legislature, or admitted, at the discretion of the Clerk or Librarian subject to such regulations as may be deemed necessary for the security and preservation of the collection.

133. During the Recess of Parliament, no Member of the House shall be at liberty to borrow, or to have in his possession at any one time, more than three works from the Library, or to retain the same for a longer period than one month. No books of reference, or books of special cost or value, may be removed from the Seat of Government under any circumstances.

134. At the first meeting of the Library Committee, in each Session of Parliament, the Librarian shall report a list of books absent at the commencement of the Session, specifying the names of any persons who have retained the same, in contravention of any of the foregoing rules.

135. All the Rules, Orders and Forms of Procedure heretofore in existence in the Legislature are hereby repealed.

ALEX. C. LEWIS,  
*Clerk of the Legislative Assembly.*





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REVISED RULES OF THE LEGISLATIVE ASSEMBLY AS REVISED BY A SELECT COMMITTEE  
AND ADOPTED BY THE HOUSE, MONDAY, APRIL 3RD, 1939

SESSION OF 1939

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